ATTACHMENT III
Text of Adopted New 19 TAC

Chapter 61. School Districts

Subchapter AA. Commissioner's Rules on School Finance

§61.1014. Additional State Aid for School Employee Benefits.

(a) In accordance with Texas Education Code (TEC), §42.2514, a school district or an open-enrollment charter school may be eligible to receive additional state aid for school employee benefits. These funds are to be used only to pay contributions under a group health insurance plan for school district or open-enrollment charter school employees.

(b) Eligibility for additional state aid for school employee benefits is determined by the extent to which 75% of the gains in the Foundation School Program (FSP) formulas resulting from the passage of House Bill (HB) 3343, 77th Texas Legislature, 2001, exceed the required contribution of school districts and open-enrollment charter schools for group health insurance coverage. The method described in paragraphs (1)-(4) of this subsection is used to determine whether a school district or an open-enrollment charter school is eligible to receive additional state aid for school employee benefits.

(1) The commissioner of education shall determine for each school district and open-enrollment charter school the amount of FSP funds gained by districts as a result of increases to the following school finance formula elements resulting from the passage of HB 3343, 77th Texas Legislature, 2001:

(A) the increase in equalized wealth level defined by TEC, §41.002, from $295,000 per student in weighted average daily attendance (WADA) to $305,000 per WADA; and

(B) the increase in guarantee level defined by TEC, §42.302, from $24.70 per WADA to $27.14 per WADA.

(2) The gain calculated in paragraph (1) of this subsection is multiplied by $.75.

(3) The required contribution to group health insurance is equal to the product of $900 multiplied by the number of school district or open-enrollment charter school employees that are participating in a group health insurance plan offered by the school district or open-enrollment charter school.

(4) The school district or open-enrollment charter school is entitled to receive additional state aid for school employee benefits if the required contribution calculated in paragraph (3) of this subsection exceeds the amount calculated in paragraph (2) of this subsection. The additional state aid for school employee benefits is equal to the amount by which the amount calculated in paragraph (3) of this subsection exceeds the amount calculated in paragraph (2) of this subsection.

(c) The commissioner shall provide reports for school districts and open-enrollment charter schools that illustrate the computation of the estimates of formula gain.

(d) The commissioner shall make a preliminary determination of gain in late August of the year preceding each applicable school year and shall certify the final gain in March of the year following each applicable school year.