

TEXAS EDUCATION CODE
TITLE 2: PUBLIC EDUCATION
SUBTITLE C. LOCAL ORGANIZATION AND GOVERNANCE
CHAPTER 12. CHARTERS
SUBCHAPTER A. GENERAL PROVISIONS

TEC, §12.106. STATE FUNDING.

- (a) A charter holder is entitled to receive for the open-enrollment charter school funding under Chapter ~~48~~ [~~42~~] equal to the amount of funding per student in weighted average daily attendance, ~~excluding enrichment funding under Section 42.302(a), to which the charter holder would be entitled for the school under Chapter 42 if the school were a school district without a tier one local share for purposes of Section 42.253.~~ excluding the adjustment under Section 48.052, the funding under Sections 48.101, 48.110, 48.111, and 48.112, and enrichment funding under Section 48.202(a) [42.302(a)], to which the charter holder would be entitled for the school under Chapter 48 [42] if the school were a school district without a tier one local share for purposes of Section 48.266 [42.253].
- (a-1) In determining funding for an open-enrollment charter school under Subsection (a), the amount of the allotment under Section 48.102 is based solely on the basic allotment to which the charter holder is entitled and does not include any amount based on the allotment under Section 48.101 [:
- (1) ~~adjustments under Sections 42.102, 42.104, and 42.105 are based on the average adjustment for the state; and~~
- (2) ~~the adjustment under Section 42.103 is based on the average adjustment for the state that would have been provided under that section as it existed on January 1, 2018.~~
- (a-2) In addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school an allotment per student in average daily attendance in an amount equal to the difference between:
- (1) the product of:
- (A) the quotient of:
- (i) the total amount of funding provided to eligible school districts under Section 48.101(b) or (c); and
- (ii) the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c);
- and

(B) the sum of one and the quotient of:

- (i) the total number of students in average daily attendance in school districts that receive an allotment under Section 48.101(b) or (c);
and
- (ii) the total number of students in average daily attendance in school districts statewide; and (2) \$125.

~~(a-2) In addition to the funding provided by Subsection (a), a charter holder is entitled to receive for the open-enrollment charter school enrichment funding under Section 42.302 based on the state average tax effort.~~

(a-3) In addition to the funding provided by Subsections [Subsection] (a) and (a-2), a charter holder is entitled to receive for the open-enrollment charter school enrichment funding under Section 48.202 [42.302] based on the state average tax effort.

(a-4) In addition to the funding provided by Subsections (a), (a-2), and (a-3), a charter holder is entitled to receive funding for the open-enrollment charter school under Sections 48.110 and 48.112 and Subchapter D, Chapter 48, if the charter holder would be entitled to the funding if the school were a school district.

~~(b) An open-enrollment charter school is entitled to funds that are available to school districts from the agency or the commissioner in the form of grants or other discretionary funding unless the statute authorizing the funding explicitly provides that open-enrollment charter schools are not entitled to the funding.~~

(c) The commissioner may adopt rules to provide and account for state funding of open-enrollment charter schools under this section. A rule adopted under this section may be similar to a provision of this code that is not similar to Section 12.104(b) if the commissioner determines that the rule is related to financing of open-enrollment charter schools and is necessary or prudent to provide or account for state funds.

(d) Subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily

attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section [46.032](#)(a) multiplied by the lesser of:

- (1) the state average interest and sinking fund tax rate imposed by school districts for the current year; or
 - (2) a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to \$60 million.
- (e) A charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter [39](#), reflects at least acceptable performance. This subsection does not apply to a charter holder that operates a school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital.
- (f) Funds received by a charter holder under Subsection (d) may only be used:
- (1) to lease an instructional facility;
 - (2) to pay property taxes imposed on an instructional facility;
 - (3) to pay debt service on bonds issued to finance an instructional facility; or
 - (4) for any other purpose related to the purchase, lease, sale, acquisition, or maintenance of an instructional facility.
- (g) In this section, "instructional facility" has the meaning assigned by Section [46.001](#).
- (h) Except as provided by Subsection (i), all remaining funds of a charter holder for an open-enrollment charter school that ceases to operate must be returned to the agency and deposited in the charter school liquidation fund.
- (i) The agency may approve a transfer of a charter holder's remaining funds to another charter holder if the charter holder receiving the funds has not received notice of the expiration or revocation of the charter holder's charter for an open-enrollment charter school or notice of a reconstitution of the governing body of the charter holder under Section 12.1141 or 12.115.
- (j) The commissioner may adopt rules specifying:
- (1) the time during which a former charter holder must return remaining funds under Subsection
- (h); and

(2) the qualifications required for a charter holder to receive a transfer of remaining funds under Subsection (i).