The Texas Education Agency (TEA) proposes an amendment to §129.1025, concerning the student attendance accounting handbook. The proposed amendment would adopt by reference the *2026-2027 Student Attendance Accounting Handbook* (SAAH). The handbook provides student attendance accounting rules for school districts and charter schools.

BACKGROUND INFORMATION AND JUSTIFICATION: TEA has adopted the SAAH by reference in rule since 2001. Attendance accounting evolves from year to year, so §129.1025 is updated at least annually to refer to the most recently adopted SAAH.

Each edition of the SAAH provides school districts and charter schools with Foundation School Program (FSP) eligibility requirements for all students, prescribes the minimum requirements for all student attendance accounting systems, lists the documentation requirements for attendance audit purposes, and details the responsibilities of all district personnel involved in student attendance accounting. TEA distributes FSP resources under the procedures specified in each current SAAH, which is published on the TEA website. Supplements, if necessary, are also published on the TEA website.

The proposed amendment to §129.1025 would adopt by reference the SAAH for the 2026-2027 school year. The proposed handbook is available on the TEA website at https://tea.texas.gov/data-reports/financial-compliance/student-attendance-accounting-handbook.

At the time of this proposal, TEA is in the process of updating the details of how the state special education allotment will be calculated and distributed based on Texas Education Code (TEC), §§48.102, 48.1021, and 48.1022, which become effective on September 1, 2026. Readers are advised to coordinate all references to special education throughout the proposed handbook with TEA's special education funding transition materials and the most recently adopted commissioner rules in the Texas Administrative Code (TAC), which will be posted on the TEA website as they are effective.

The *2026-2027 Student Attendance Accounting Handbook* would include the following significant changes.

The proposed changes to Section 1, Overview, would emphasize that all special education references should be reviewed in conjunction with current TEA transition materials and adopted TAC rules.

The proposed changes to Section 3, General Attendance Requirements, would include adding references to new TEC, Chapter 30B, in Section 3.6.3; clarifying that students who have met all diploma requirements are not eligible to generate average daily attendance (ADA), with specified exceptions; and reflecting the repeal of the prohibition on receiving both Additional Days School Year (ADSY) and Senate Bill (SB) 1882 funds, allowing districts to receive both.

The proposed changes to Section 4, Special Education, would provide detail about funding for special education in the 2026-2027 school year and the special education funding transition. The changes would also clarify early childhood special education (ECSE) service eligibility, homebound service hours, and current practices.

The proposed changes to Section 5, Career and Technical Education (CTE), would provide detail about the increase in funding that aligns the handbook with House Bill (HB) 120, 89th Texas Legislature, Regular Session, 2025, and would clarify that CTE contact hours should be based on the days CTE course are scheduled. Changes would also include clarification on CTE weighted funding calculations.

The proposed changes to Section 11, Non-Traditional Programs, would provide for funded virtual education for the Optional Flexible School Day Program (OFSDP) to align the handbook with SB 569, 89th Texas Legislature, Regular Session, 2025. The ADSY program would add two ADSY days beyond the required 25 in order for school systems to access the three-quarter-day formula funding provided in statute. Additional proposed changes would decrease the 180 ADSY calendar to 175 days to align the handbook with HB 2, 89th Texas Legislature, Regular Session, 2025. Further proposed changes would remove provisions preventing a district from drawing down both ADSY and SB 1882 funds, as that limitation is no longer included in TEC, §48.252. Other proposed changes to Section 11 would prohibit requiring a student enrolled in an early college high school (ECHS) or Pathways in

Technology Early College High School (P-TECH) course for high school graduation credit to pay for tuition, fees, or required textbooks.

The proposed changes to Section 12, Virtual, Remote, and Electronic Instruction, would modify language to reflect the new funding and attendance methods established by SB 569 and reflect the addition of the newly created virtual and hybrid education options for funding in TEC, Chapter 30B.

The proposed changes to Section 13, the Appendix and the Glossary, would update glossary terms and weighted funding calculations.

A document detailing all proposed changes to the *2026-2027 Student Attendance Accounting Handbook* is available on the TEA website at https://tea.texas.gov/finance-and-grants/financial-compliance/student-attendance-accounting-handbook.

FISCAL IMPACT: Amy Copeland, associate commissioner of school finance and chief school finance officer, has determined that for the first five-year period the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis, specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would expand and limit an existing regulation. The proposed changes to the *2026-2027 Student Attendance Accounting Handbook* would amend requirements and provide clarity regarding student attendance accounting procedures. In some instances, the proposed changes would add information, and in some instances, information would be removed.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not create a new regulation; would not repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Copeland has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be informing the public of the existence of annual publications specifying attendance accounting procedures for school districts and charter schools. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no data and reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: TEA requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins July 10, 2026, and ends August 10, 2026. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on July 10, 2026. A form for submitting public comments is available on the TEA website at https://tea.texas.gov/About_TEA/Laws_and_Rules/Commissioner_Rules_(TAC)/Proposed_Commissioner_of_Education_Rules/.

STATUTORY AUTHORITY. The amendment is proposed under TEC, §7.055(b)(35), which states that the commissioner shall perform duties in connection with FSP as prescribed by TEC, Chapter 48; TEC, §12.251, as added by SB 2032, 88th Texas Legislature, Regular Session, 2023, which states the definition of adult high school charter school programs; TEC, §25.001, as amended by SB 1008, 88th Texas Legislature, Regular Session, 2023, and HB 2757 and SB 226, 89th Texas Legislature, Regular Session, 2025, which states that a school district must allow for an active duty member of the armed forces of the United States to be allowed 90 days to provide proof of residency; TEC, §25.0344, as added by HB 1959, 88th Texas Legislature, Regular Session, 2023, which states that a parent serving as a peace officer or service member may request a transfer to a district and campus of their choice; TEC, §25.081, as amended by SB 1647, 88th Texas Legislature, Regular Session, 2023, and SB 569 and SB 991, 89th Texas Legislature, Regular Session, 2025, which states that, for each school year, each school district must operate so that the district provides for at least 75,600 minutes, including time allocated for instruction, intermissions, and recesses, for students. TEC, §25.081(d), authorizes the commissioner to adopt rules to implement the section. TEC, §25.081(g), states that a school district may not provide student instruction on Memorial Day but that if a school district would be required to provide student instruction on Memorial Day to compensate for minutes of instruction lost because of school closures caused by disaster, flood, extreme weather conditions, fuel curtailment, or another calamity, the commissioner shall approve the instruction of students for fewer than the number of minutes required under TEC, §25.081(a); TEC, §25.0812, which states that school districts may not schedule the last day of school for students before May 15; TEC, §25.087, as amended by HB 367 and SB 1049, 89th Texas Legislature, Regular Session, 2025, which provides purposes for which a school district shall excuse a student from attending school; TEC, §25.0875, as added by SB 1049, 89th Texas Legislature, Regular Session, 2025, which provides purposes for which a school district shall excuse a student from attending school for a released time course; TEC, §28.02124, as amended by HB 3803, 88th Texas Legislature, Regular Session, 2023, which states that a parent may request that a student repeat a course for high school credit; TEC, §29.081, as amended by SB 1647, 88th Texas Legislature, Regular Session, 2023, and SB 569 and SB 991, 89th Texas Legislature, Regular Session, 2025, which states that attendance accounting and FSP funding for OFSDP participation may be generated through a remote or hybrid dropout recovery education program; TEC, §29.0822, which enables a school district to provide a program that meets the needs of students described by TEC, §29.0822(a), for a school district that meets application requirements, including allowing a student to enroll in a dropout recovery program in which courses are conducted online, and authorizes the commissioner to adopt rules for the administration of the section; TEC, §30A.153, as that section existed before repeal by SB 569, 89th Texas Legislature, Regular Session, 2025, which states that, subject to the limitation imposed under TEC, §30A.153(a-1), a school district or open-enrollment charter school in which a student is enrolled is entitled to funding under TEC, Chapter 48, or in accordance with the terms of a charter granted under TEC, §12.101, for the student's enrollment in an electronic course offered through the state virtual school network in the same manner that the district or school is entitled to funding for the student's enrollment in courses provided in a traditional classroom setting, provided that the student successfully completes the electronic course. TEC, §30A.153(d), authorizes the commissioner to adopt rules necessary to implement the section, including rules regarding student attendance accounting. SB 569, Section 15, allows a school district or open-enrollment charter school to continue providing a course or full-time program under TEC, Chapter 30A, until the end of the 2026-2027 school year; TEC, §37.005, as amended by HB 6, 89th Texas Legislature, Regular Session, 2025, which states that there is no limit to the number of days a student may be assigned to in-school suspension; TEC, §48.004, as amended by HB 2, 89th Texas Legislature, 2025, which states that the commissioner shall adopt rules, take action, and require reports consistent with TEC, Chapter 48, as necessary to implement and administer the FSP; TEC, §48.005, as amended by SB 569, 89th Texas Legislature, Regular Session, 2025, which states that ADA is the quotient of the sum of attendance for each day of the minimum number of days of instruction as described under TEC, §25.081(a), divided by the minimum number of days of instruction. TEC, §48.005(m), authorizes the commissioner to adopt rules necessary to implement the section. Subsections (m-1) and (m-2) address virtual or remote instruction-related funding; TEC, §48.102, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, to be effective September 1, 2026, which states that for each student in ADA in a special education program under TEC, Chapter 29, Subchapter A, in a mainstream instructional arrangement, a school district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 1.15. For each full-time equivalent student ADA attendance in a special education program under TEC, Chapter 29, Subchapter A, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight determined according to its instructional arrangement; TEC, §48.103, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, to be effective September 1, 2026, which states that for each student that a district serves who has been identified as having dyslexia or a related disorder, the district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 or a greater amount provided by appropriation; TEC, §48.104, as amended by HB 2, 89th Texas Legislature, 2025, which states that for each student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.2 or, if the student is educationally disadvantaged, 0.275. For each full-time equivalent student who is in a remedial and support program under TEC, §29.081, because the student is pregnant, a district is entitled to an annual allotment equal to the basic allotment multiplied 2.41; TEC, §48.105, as amended by SB 2185 and HB 2, 89th Texas Legislature, 2025, which states that for each student in ADA in a bilingual education or special language program under TEC, Chapter 29, Subchapter B, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.1 or 0.15 if the student is in a bilingual education program using a dual language immersion/one-way or two-way program model, and for students not described in subdivision (1), 0.05 if the student is in bilingual education program using a dual language immersion/two-way program model; TEC, §48.106, as amended HB 120 and HB 2, 89th Texas Legislature, 2025, which states that for each full-time equivalent student in ADA in an approved career and technology education program in Grades 7-12 or in career and technology education programs, a district is entitled to an annual allotment equal to the basic allotment multiplied by a weight of 1.35 and $50 for each student that is enrolled in two or more advanced career and technology classes for a total of three or more credits; a campus designated as a P-TECH school under TEC, §29.556; or a campus that is a member of the New Tech Network and that focuses on project-based learning and work-based education; TEC, §48.108, as amended by HB 2, 89th Texas Legislature, 2025, which states that for each student in ADA in Kindergarten-Grade 3, a district is entitled to an annual allotment equal to the basic allotment multiplied by 0.1 if the student is educationally disadvantaged or a student of limited English proficiency, as defined by TEC, §29.052, and in bilingual education or special language program under TEC, Chapter 29, Subchapter B; TEC, §48.109, which states that for each student in the gifted and talented category, the district is entitled to an annual allotment equal to the basic allotment multiplied by 0.07 for each school year or a greater amount provided by appropriation. If by the end of the 12th month after receiving an allotment for developing a program a district has failed to implement a program, the district must refund the amount of the allotment to the agency within 30 days. Not more than five percent of a district's students in ADA are eligible for funding under this section. If the state funds exceed the amount of state funds appropriated in any year for the programs, the commissioner shall reduce the districts tier one allotment. If funds are less than the total amount appropriated for the school year, the commissioner shall transfer the remainder to any program. After each district has received allotted funds for this program, the State Board of Education may use up to $500,000 of the funds allocated under this section for other programs; TEC, §48.270, which states that when, in the opinion of the agency's director of school audits, audits or reviews of accounting, enrollment, or other records of a school district reveal deliberate falsification of the records, or violation of the provisions of TEC, Chapter 48, through which the district's share of state funds allocated under the authority of this chapter would be, or has been, illegally increased, the director shall promptly and fully report the fact to the State Board of Education, the state auditor, and the appropriate county attorney, district attorney, or criminal district attorney; and TEC, §49.204, which states that a school district with a local revenue in excess of entitlement may reduce the district's local revenue level by serving nonresident students who transfer to the district and are educated by the district, but who are not charged tuition.

CROSS REFERENCE TO STATUTE. The amendment implements TEC, §§7.055(b)(35); 12.251, as added by SB 2032, 88th Texas Legislature, Regular Session, 2023; 25.001, as amended by SB 1008, 88th Texas Legislature, Regular Session, 2023, and HB 2757 and SB 226, 89th Texas Legislature, Regular Session, 2025; 25.0344, as added by HB 1959, 88th Texas Legislature, Regular Session, 2023; 25.081, as amended by SB 1647, 88th Texas Legislature, Regular Session, 2023, and SB 569 and SB 991, 89th Texas Legislature, Regular Session, 2025; 25.0812; 25.087, as amended by HB 367 and SB 1049, 89th Texas Legislature, Regular Session, 2025; 25.0875, as added by SB 1049, 89th Texas Legislature, Regular Session, 2025; 28.02124, as amended by HB 3803, 88th Texas Legislature, Regular Session, 2023; 29.081, as amended by SB 1647, 88th Texas Legislature, Regular Session, 2023, and SB 569 and SB 991, 89th Texas Legislature, Regular Session, 2025; 29.0822; 30A.153, as that section existed before repeal by SB 569, 89th Texas Legislature, Regular Session, 2025; 37.005, as amended by HB 6, 89th Texas Legislature, Regular Session, 2025; 48.004, as amended by HB 2, 89th Texas Legislature, 2025; 48.005, as amended by SB 569, 89th Texas Legislature, Regular Session, 2025; 48.102, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, to be effective September 1, 2026; 48.103, as amended by HB 2 and SB 568, 89th Texas Legislature, Regular Session, 2025, to be effective September 1, 2026; 48.104, as amended by HB 2, 89th Texas Legislature, 2025; 48.105, as amended by SB 2185 and HB 2, 89th Texas Legislature, 2025; 48.106, as amended HB 120 and HB 2, 89th Texas Legislature, 2025; 48.108, as amended by HB 2, 89th Texas Legislature, 2025; 48.109; 48.270; and 49.204.

<rule>

§129.1025. Adoption by Reference: Student Attendance Accounting Handbook.

(a) The student attendance accounting guidelines and procedures established by the commissioner of education under §129.21 of this title (relating to Requirements for Student Attendance Accounting for State Funding Purposes) and the Texas Education Code, §48.004, to be used by school districts and charter schools to maintain records and make reports on student attendance and student participation in special programs will be published annually.

(b) The standard procedures that school districts and charter schools must use to maintain records and make reports on student attendance and student participation in special programs for school year 2026-2027 [~~2025-2026~~] are described in the official Texas Education Agency (TEA) publication *2026-2027* [~~*2025-2026*~~] *Student Attendance Accounting Handbook,* which is adopted by this reference as the agency's official rule. A copy of the *2026-2027* [~~*2025-2026*~~] *Student Attendance Accounting Handbook* is available on the TEA website with information related to financial compliance. The commissioner will amend the *2026-2027* [~~*2025-2026*~~] *Student Attendance Accounting Handbook* by reference and amend this subsection, as needed.

(c) Data from previous school years will continue to be subject to the student attendance accounting handbook as the handbook existed in those years.