

Amend CSHB 5 as follows:

(1) In SECTION 1.02 of the bill, in proposed Section 41.008(c)(5), Education Code, strike "Chapter 46" and substitute "Chapter 46, including a specific amount to be appropriated to promote financing of facilities under Subchapter A, Chapter 46, in districts with low wealth per student".

(2) Amend ARTICLE 1 of the bill by adding the following appropriately numbered section and renumbering subsequent sections of the bill accordingly:

SECTION ____ . Section 46.003, Education Code, is amended by amending Subsections (a) and (h) and adding Subsection (i) to read as follows:

(a) For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The total amount of state support provided each biennium must equal at least \$150 million. The amount of state support for a school district is determined by the formula:

$$\text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is \$35 or a greater amount for any year provided by appropriation;

"ADA" is the greater of the number of students in average daily attendance, as determined under Section 42.005, in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521.

(h) To receive state assistance under this subchapter, a school district must apply to the commissioner in accordance with rules adopted by the commissioner before issuing bonds that will be paid with state assistance. Until the bonds are fully paid, ~~or~~ the instructional facility is sold, or the school district becomes eligible to receive assistance with payment of the bonds under Subchapter B:

(1) a school district is entitled to continue receiving state assistance under this subchapter without reapplying to the commissioner; and

(2) the guaranteed level of state and local funds per student per cent of tax effort applicable to the bonds may not be reduced below the level provided for the year in which the bonds were issued.

(i) Notwithstanding any other provision of this chapter, the commissioner shall ensure that a school district that becomes eligible for state assistance under Subchapter B with payment of bonds for which the district initially received state assistance under this subchapter continues to receive state assistance under this subchapter as necessary to result in a total guaranteed level of state and local funds per student per cent of tax effort equal to the level provided under this subchapter for the year in which the bonds were issued.

(3) Strike SECTION 1.11 of the bill, amending Section 46.033, Education Code, and substitute the following:

SECTION 1.11. Section 46.033, Education Code, is amended to read as follows:

Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued under Section 45.006, are eligible to be paid with state and local funds under this subchapter if:

(1) the district made payments on the bonds during the final [2000-2001] school year of the state fiscal biennium preceding the biennium in which the district first receives assistance under this subchapter for the payment of principal of

and interest on the bonds; or

(2) taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year[~~;~~ and

~~[(2) the district does not receive state assistance under Subchapter A for payment of the principal and interest on the bonds].~~