

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**March 31, 2003**

**TO:** Honorable Florence Shapiro, Chair, Senate Committee on Education

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** SB1240 by Shapiro (Relating to voluntary school district consolidation.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would authorize the boards of trustees of school districts considering consolidation to develop a local consolidation agreement to be submitted to the voters in each affected district. A local consolidation agreement could address the terms of consolidation, including effective date, schedule for election of the board of trustees for the consolidated district, grade levels to be educated, consolidation of some but not all districts that are party to the agreement based on voter approval, and the required majority votes to effect the consolidation. Districts party to such an agreement would be obliged to make the consolidation agreement available for public inspection and hold a public hearing to receive public comment.

Under Texas Education Code, Chapter 13, Subchapter G, a school district created by consolidation can qualify for incentive aid payments for a period not to exceed 10 years. The amount of such payments is the difference between state aid that would have been paid to the districts individually in the absence of consolidation and state aid that would be paid to the districts as consolidated. The provisions of this bill could have implications for consolidation incentive aid. However, it is not anticipated that the number of districts that choose to consolidate will increase significantly.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JK, CT, UP, PQ