

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 23, 2003

TO: Honorable Kent Grusendorf, Chair, House Committee on Public Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1624 by Bivins (Relating to security requirements for the deposit of school district funds.), **Committee Report 2nd House, As Amended**

No fiscal implication to the State is anticipated.

The bill amends Section 45.201 of the Education Code and would eliminate a conflict in law between Section 45.201 and the Public Funds Collateral Act (PFCA). Currently, Section 45.201 excludes reducing principal balance securities as approved securities, while they are allowed under the PFCA. This bill would allow them.

In addition, the bill specifies that the security must be at least 102% of the amount of the deposit and the total market value of eligible securities must be reported at least once each month to the school district.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency

LBB Staff: JK, CT, UP, PQ