

Amend CSHB 2 as follows:

(1) In Section 1B.02 of the bill, in amended Section 42.007(c), Education Code (committee printing page 5, line 22), between "Chapter 46" and the period, insert ", including a specific amount not less than the amount designated in Section 46.003(a) that is at least sufficient to provide the financing of facilities under Subchapter A, Chapter 46, in districts that have a wealth per student, as determined under Section 42.302(a), that is less than the statewide average wealth per student".

(2) In Section 1B.14 of the bill, in amended Section 42.251(a), Education Code (committee printing page 10, line 46), between "chapter," and "constitute", insert "and the instructional facilities allotment under Subchapter A, Chapter 46,".

(3) In Section 1B.14 of the bill, in amended Section 42.251(b), Education Code (committee printing page 10, between lines 56 and 57), insert the following:

(4) ad valorem tax revenue generated by local school district effort for the purpose of funding instructional facilities under Subchapter A, Chapter 46;

(4) In Section 1B.14 of the bill, in amended Section 42.251(b), Education Code (committee printing page 10, line 57), strike "(4) [~~(3)~~]" and substitute "(5) [~~(3)~~]".

(5) In Section 1B.14 of the bill, in amended Section 42.251(b), Education Code (committee printing page 10, line 59), strike "(5) [~~(4)~~]" and substitute "(6) [~~(4)~~]".

(6) In Section 1B.20 of the bill, in the introductory language (committee printing page 12, line 12), strike "(a)" and substitute "(a)-(c)".

(7) In Section 1B.20 of the bill, in amended Section 42.253(a), Education Code (committee printing page 12, between lines 18 and 19), insert the following:

(3) the amount of money to which a school district is entitled under Subchapter A, Chapter 46;

(8) In Section 1B.20 of the bill, in amended Section 42.253(a), Education Code (committee printing page 12, line 19), strike "(3)" and substitute "(4)".

(9) In Section 1B.20 of the bill, in amended Section

42.253(a), Education Code (committee printing page 12, line 21), strike "(4)" and substitute "(5) [~~(4)~~]".

(10) In Section 1B.20 of the bill, in amended Section 42.253(a), Education Code (committee printing page 12, line 23), strike "(5)" and substitute "(6) [~~(5)~~]".

(11) In Section 1B.20 of the bill, in amended Section 42.253(a), Education Code (committee printing page 12, line 22), strike "; and" and substitute "; ~~and~~".

(12) In Section 1B.20 of the bill, in amended Section 42.253(a), Education Code (committee printing page 12, line 24), strike "42.302." and substitute "42.302; and".

(13) In Section 1B.20 of the bill, in amended Section 42.253(a), Education Code (committee printing page 12, between lines 24 and 25), insert the following:

(7) the amount of each district's local share of the instructional facilities allotment under Subchapter A, Chapter 46.

(14) In Section 1B.20 of the bill, in amended Section 42.253, Education Code (committee printing page 12, between lines 24 and 25), insert the following:

(b) Except as provided by this subsection, the commissioner shall base the determinations under Subsection (a) on the estimates provided to the legislature under Section 42.254, or, if the General Appropriations Act provides estimates for that purpose, on the estimates provided under that Act, for each school district for each school year. The commissioner shall reduce the entitlement of each district that has a final taxable value of property for the second year of a state fiscal biennium that is higher than the estimate under Section 42.254 or the General Appropriations Act, as applicable. A reduction under this subsection may not reduce the district's entitlement below the amount to which it is entitled at its actual taxable value of property. The commissioner shall base determinations for the instructional facilities allotment on the procedures specified in Subchapter A, Chapter 46.

(c) Each school district is entitled to an amount equal to the difference for that district between the sum of Subsections (a)(1), ~~[and]~~ (a)(2), and (a)(3) and the sum of Subsections ~~[(a)(3),]~~ (a)(4), ~~[and]~~ (a)(5), (a)(6), and (a)(7).

(15) Add the following appropriately numbered section to Part C, Article 1, of the bill (committee printing page 16, between lines 19 and 20), and renumber the subsequent sections of Part C accordingly:

SECTION 1C.___. 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 to assist with payment of bonds for which a district has not previously received state assistance under this subchapter must equal at least \$300 million or a higher amount provided by appropriation. 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.

(16) In Section 1C.01 of the bill, strike amended Section 46.033, Education Code (committee printing page 16, lines 22 through 32), and substitute the following:

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 ~~[2002-2003]~~ school year of the preceding state fiscal biennium;

(2) [or] ~~[or]~~ 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; or ~~[and]~~

(3) [+2] ~~[+2]~~ the district received ~~[does not receive]~~ state assistance under Subchapter A for payment of ~~[the]~~ principal

and interest on ~~[the]~~ bonds during the final school year of the preceding state fiscal biennium.

(17) In Section 1C.02 of the bill, strike amended Section 46.034(c), Education Code (committee printing page 16, lines 35 through 42), and substitute the following:

(c) If the amount required to pay the principal of and interest on eligible bonds in a school year is less than the amount of payments made by the district on the bonds during the final ~~[2002-2003]~~ 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 the district's audited debt service collections for that school year, the district may not receive aid in excess of the amount that, when added to the district's local revenue for the school year, equals the amount required to pay the principal of and interest on the bonds.

(18) In Part C, Article 1, of the bill (page 16, between lines 42 and 43), insert the following appropriately numbered section and renumber the subsequent sections of Part C accordingly:

SECTION 1C.___. Section 46.003(a), Education Code, as amended by this Act, applies beginning with the 2007-2008 school year.