

BILL ANALYSIS

Senate Research Center
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S.B. 540
By: Seliger
Education
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Twelve small school districts in the state that have K-6 and K-8 schools have been affected financially by the expiration of a "hold harmless provision" on September 1, 2004. S.B. 540 extends this provision for K-6 and K-8 districts that were inadvertently financially affected in 1999.

This bill allows a school district that in the 1999-2000 school year did not offer all grade levels to have, after detaching territory or purchasing attendance credits, an equalized wealth level in the amount needed to maintain state and local revenue in an amount equal to state and local revenue per weighted student for maintenance and operation of the district for the 1999-2000 school year, less the district's current year distribution per weighted student from the available school fund other than amounts distributed for textbooks, if the district imposes an effective tax rate for maintenance and operation of the district rate equal to the rate imposed for maintenance and operation for the 1999-2000 school year. As proposed, S.B. 540 requires the commissioner of education to compute the wealth per student levels using weighted average daily attendance, notify each district that it is eligible to have its wealth per student calculated in this manner, and establish a date by which such a district must elect to have its wealth per student computed.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 41, Education Code, by adding Section 41.0021, as follows:

Sec. 41.0021. WEALTH PER STUDENT IN CERTAIN DISTRICTS NOT SERVING ALL GRADES. (a) Authorizes, notwithstanding Section 41.002 (Equalized Wealth Level), a school district that in the 1999-2000 school year did not offer each grade level from kindergarten through 12 to elect to have its wealth per student determined under this section.

(b) Authorizes, in accordance with a determination of the commissioner of education (commissioner), a school district to which this section applies to have a certain wealth per student. Provides that, for the purposes of this subsection, a district's effective tax rate is determined as provided by Section 41.002(f) (pertaining to the determination of a school district's effective tax rate).

(c) Sets forth certain requirements for the commissioner in computing the wealth per student levels.

(d) Sets forth certain restrictions for a school district that elects to have its wealth per student computed under this section.

(e) Provides that a limitation on tuition under Section 25.039 (Contracts and Tuition for Education Outside District) does not apply to a school district that elects to have its wealth per student computed under this section.

SECTION 2. Effective date: September 1, 2005.