

By: Hill

H.B. No. 3061

A BILL TO BE ENTITLED

AN ACT

relating to state assistance with public school facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 45.054, Education Code, is amended to read as follows:

Sec. 45.054. ELIGIBILITY. To be eligible for approval by the commissioner, bonds must be issued:

(1) under Subchapter A of this chapter or under Subchapter A, Chapter 1207, Government Code, to make a deposit under Subchapter B or C of that chapter, by an accredited school district; and

(2) for the construction, acquisition, renovation, or improvement of an instructional facility, as defined by Section 46.001.

SECTION 2. Section 46.002(b), Education Code, is amended to read as follows:

(b) The commissioner's rules shall ~~may~~ limit the amount of an allotment under this subchapter that is to be used to construct, acquire, renovate, or improve an instructional facility that may also be used for noninstructional or extracurricular activities. An allotment under this subchapter may not be used to construct, acquire, renovate, or improve a facility, such as a stadium, if the facility's predominant use is for extracurricular purposes or for purposes other than teaching the curriculum required under Section

1 28.002.

2 SECTION 3. Section 46.003(a), Education Code, is amended to
3 read as follows:

4 (a) For each year, except as provided by Sections 46.005 and
5 46.006, a school district is guaranteed a specified amount per
6 student in state and local funds for each cent of tax effort, up to
7 the maximum rate under Subsection (b), to pay the principal of and
8 interest on eligible bonds issued to construct, acquire, renovate,
9 or improve an instructional facility. The amount of state support
10 is determined by the formula:

11
$$FYA = (FYL \times ADA \times BTR \times 100) - (BTR \times (DPV/100))$$

12 where:

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

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

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

21 "BTR" is the district's bond tax rate for the current year,
22 which is determined by dividing the amount budgeted by the district
23 for payment of eligible bonds by the quotient of the district's
24 taxable value of property as determined under Subchapter M, Chapter
25 403, Government Code, [~~or, if applicable, Section 42.2521,~~] divided
26 by 100; and

27 "DPV" is the district's taxable value of property as

1 determined under Subchapter M, Chapter 403, Government Code~~[, or,~~
2 ~~if applicable, Section 42.2521]~~.

3 SECTION 4. Section 46.008, Education Code, is amended to
4 read as follows:

5 Sec. 46.008. STANDARDS AND BEST PRACTICES. (a) The
6 commissioner shall establish standards for adequacy of school
7 facilities. The standards must include requirements related to
8 ~~[space,~~ educational adequacy~~]~~ and construction quality. The
9 standards may not include requirements related to space or square
10 footage for a facility or any part of a facility. All new
11 facilities constructed after September 1, 1998, must meet or exceed
12 the standards to be eligible to be financed with state or local tax
13 funds.

14 (b) The commissioner shall establish a program of best
15 practices for the construction, replacement, renovation, or
16 improvement of school facilities. The program must:

17 (1) include solicitation of information from school
18 districts on best practices;

19 (2) recognize school districts that have achieved
20 cost-effectiveness in construction and long-term maintenance;

21 (3) emphasize cost-effectiveness, energy efficiency,
22 functionality, and replicability;

23 (4) be designed to encourage, without imposing
24 requirements relating to specific criteria, school district
25 consideration of:

26 (A) best practices, including evaluation of the
27 school district's financial status, total amount of outstanding

1 debt, maturity of outstanding debt, and preventive maintenance of
2 facilities;

3 (B) cost-effectiveness;

4 (C) projected enrollment in the portion of the
5 school district to be served by a facility for which state financial
6 assistance is sought; and

7 (D) if applicable, the condition of a facility
8 that is to be replaced, renovated, or improved with state financial
9 assistance; and

10 (5) include a process for local evaluation of the need
11 for construction, acquisition, renovation, or improvement of a
12 facility.

13 (c) This section may not be construed in a manner that
14 impairs or eliminates a guarantee of an eligible bond under
15 Subchapter C, Chapter 45.

16 SECTION 5. Subchapter A, Chapter 46, Education Code, is
17 amended by adding Section 46.014 to read as follows:

18 Sec. 46.014. COLLECTION OF FACILITIES DATA. The
19 commissioner by rule shall require school districts to report
20 through the Public Education Information Management System (PEIMS)
21 the following information concerning school facilities:

22 (1) grade levels served;

23 (2) square footage;

24 (3) year of construction; and

25 (4) date of most recent renovation.

26 SECTION 6. Section 46.032(a), Education Code, is amended to
27 read as follows:

1 (a) Each school district is guaranteed a specified amount
2 per student in state and local funds for each cent of tax effort to
3 pay the principal of and interest on eligible bonds. The amount of
4 state support, subject only to the maximum amount under Section
5 46.034, is determined by the formula:

6
$$\text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

7 where:

8 "EDA" is the amount of state funds to be allocated to the
9 district for assistance with existing debt;

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

13 "ADA" is the number of students in average daily attendance,
14 as determined under Section 42.005, in the district;

15 "EDTR" is the existing debt tax rate of the district, which is
16 determined by dividing the amount budgeted by the district for
17 payment of eligible bonds by the quotient of the district's taxable
18 value of property as determined under Subchapter M, Chapter 403,
19 Government Code, [~~or, if applicable, under Section 42.2521,~~]
20 divided by 100; and

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

24 SECTION 7. Section 46.033, Education Code, is amended to
25 read as follows:

26 Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued
27 under Section 45.006, are eligible to be paid with state and local

1 funds under this subchapter if:

2 (1) the district made payments on the bonds during the
3 2004-2005 [~~2002-2003~~] school year or taxes levied to pay the
4 principal of and interest on the bonds were included in the
5 district's audited debt service collections for that school year;
6 and

7 (2) the district does not receive state assistance
8 under Subchapter A for payment of the principal and interest on the
9 bonds.

10 SECTION 8. Section 46.034(c), Education Code, is amended to
11 read as follows:

12 (c) If the amount required to pay the principal of and
13 interest on eligible bonds in a school year is less than the amount
14 of payments made by the district on the bonds during the 2004-2005
15 [~~2002-2003~~] school year or the district's audited debt service
16 collections for that school year, the district may not receive aid
17 in excess of the amount that, when added to the district's local
18 revenue for the school year, equals the amount required to pay the
19 principal of and interest on the bonds.

20 SECTION 9. Section 45.054, Education Code, as amended by
21 this Act, applies only to the guarantee of bonds under Subchapter C,
22 Chapter 45, Education Code, for which an application is submitted
23 to the commissioner of education on or after September 1, 2005.

24 SECTION 10. Section 46.008(a), Education Code, as amended
25 by this Act, applies to a school facility for which construction
26 begins on or after September 1, 2005, and such a facility is not
27 required to meet any requirements related to space established by

1 the commissioner of education under that section as it existed
2 before amendment by this Act.

3 SECTION 11. Subchapter A, Chapter 46, Education Code, as
4 amended by this Act, applies only to the payment of state assistance
5 under Subchapter A, Chapter 46, Education Code, for which a school
6 district applies on or after September 1, 2005. Payment of state
7 assistance under Subchapter A, Chapter 46, Education Code, for
8 which a school district applies before September 1, 2005, is
9 governed by the law in effect on the date the district applies for
10 the state assistance, and the former law is continued in effect for
11 that purpose.

12 SECTION 12. Subchapter B, Chapter 46, Education Code, as
13 amended by this Act, applies only to bonds that first become
14 eligible for payment with state assistance under that subchapter
15 after January 1, 2004. Bonds that were eligible for payment with
16 state assistance under that subchapter as of January 1, 2004, are
17 governed by that subchapter as it existed before amendment by this
18 Act, and the former law is continued in effect for that purpose.

19 SECTION 13. This Act takes effect September 1, 2005.