

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 18, 2005**

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

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2877** by Keffer, Bill (Relating to public education.), **As Introduced**

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| <b>No fiscal implication to the State is anticipated.</b> |
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The bill modifies Education Code, Chapter 42, to define state policy regarding education funding responsibility. It defines standards of fiscal neutrality and explicitly provides permission to enhance programs with local revenue. It provides a statutory definition of “general diffusion of knowledge,” “suitable provision for the support and maintenance of an efficient system of public free schools,” and “efficient system of public free schools.” It states the purposes and structure of the Foundation School Program.

The bill does not state an effective date.

While this bill makes a number of policy statements, it makes no changes to the formulas for the Foundation School Program. While it contains a provision that specifically would allow school districts to generate local tax revenue that is not required to be equalized by the state, it makes no formula changes to carry out that policy.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, CT, UP