

AN ACT

relating to the computation of certain amounts under the Foundation School Program.

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

SECTION 1. Section 42.2516, Education Code, is amended by amending Subsection (b) and adding Subsections (b-2), (f-1), (f-2), and (f-3) to read as follows:

(b) Subject to Subsections (b-2), (f-1), (g), and (h), but notwithstanding any other provision of this title, a school district is entitled to state revenue necessary to provide the district with the sum of:

(1) the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the greater of:

(A) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district available to the district for the 2005-2006 school year;

(B) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operations of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006,

1 the amount to which the district would have been entitled under that
2 chapter, based on the funding elements in effect for the 2005-2006
3 school year, if the district imposed a maintenance and operations
4 tax at the rate adopted by the district for the 2005 tax year; or

5 (C) the amount of state and local revenue per
6 student in weighted average daily attendance for the maintenance
7 and operations of the district to which the district would have been
8 entitled for the 2006-2007 school year under this chapter, as it
9 existed on January 1, 2006, or, if the district would have been
10 subject to Chapter 41, as that chapter existed on January 1, 2006,
11 the amount to which the district would have been entitled under that
12 chapter, based on the funding elements in effect for the 2005-2006
13 school year, if the district imposed a maintenance and operations
14 tax at the rate equal to the rate described by Section 26.08(i) or
15 (k)(1), Tax Code, as applicable, for the 2006 tax year;

16 (2) an amount equal to the product of \$2,500
17 multiplied by the number of classroom teachers, full-time
18 librarians, full-time counselors certified under Subchapter B,
19 Chapter 21, and full-time school nurses employed by the district
20 and entitled to a minimum salary under Section 21.402; and

21 (3) an amount equal to the product of \$275 multiplied
22 by the number of students in average daily attendance in grades nine
23 through 12 in the district.

24 (b-2) The amount determined for a school district under
25 Subsection (b) is increased or reduced as follows:

26 (1) if for any school year the district is entitled to
27 a greater allotment under Section 42.155 or greater additional

1 state aid under Section 42.2515 than the allotment or additional
2 state aid to which the district was entitled under Section 42.155 or
3 42.2515, as applicable, for the school year on which the district's
4 entitlement under Subsection (b) is based, the district's
5 entitlement under Subsection (b) is increased by an amount equal to
6 the difference between the amount to which the district is entitled
7 under Section 42.155 or 42.2515, as applicable, for that school
8 year and the amount to which the district was entitled under the
9 applicable section, as applicable for:

10 (A) the 2005-2006 school year, if the amount
11 determined for the district under Subsection (b) is determined
12 under Subsection (b)(1)(A); or

13 (B) the 2006-2007 school year, if the amount
14 determined for the district under Subsection (b) is determined
15 under Subsection (b)(1)(B) or (C); and

16 (2) if for any school year the district is not entitled
17 to an allotment under Section 42.155 or additional state aid under
18 Section 42.2515 or is entitled to a lesser allotment or less
19 additional state aid under the applicable section than the
20 allotment or additional state aid to which the district was
21 entitled under the applicable section for the school year on which
22 the district's entitlement under Subsection (b) is based, the
23 district's entitlement under Subsection (b) is reduced by an amount
24 equal to the difference between the amount to which the district was
25 entitled under Section 42.155 or 42.2515, as applicable, for the
26 2005-2006 or 2006-2007 school year, as appropriate based on whether
27 the district's entitlement under Subsection (b) is determined under

1 Subsection (b)(1)(A), (B), or (C), and the amount to which the
2 district is entitled under the applicable section for the current
3 school year.

4 (f-1) The commissioner shall, in accordance with rules
5 adopted by the commissioner, adjust the amount of a school
6 district's local revenue derived from maintenance and operations
7 tax collections, as calculated for purposes of determining the
8 amount of state revenue to which the district is entitled under this
9 section, if the district, for the 2007 tax year or a subsequent tax
10 year:

11 (1) adopts an exemption under Section 11.13(n), Tax
12 Code, that was not in effect for the 2005 or 2006 tax year, or
13 eliminates an exemption under Section 11.13(n), Tax Code, that was
14 in effect for the 2005 or 2006 tax year;

15 (2) adopts an exemption under Section 11.13(n), Tax
16 Code, at a greater or lesser percentage than the percentage in
17 effect for the district for the 2005 or 2006 tax year;

18 (3) grants an exemption under an agreement authorized
19 by Chapter 312, Tax Code, that was not in effect for the 2005 or 2006
20 tax year, or ceases to grant an exemption authorized by that chapter
21 that was in effect for the 2005 or 2006 tax year; or

22 (4) agrees to deposit taxes into a tax increment fund
23 created under Chapter 311, Tax Code, under a reinvestment zone
24 financing plan that was not in effect for the 2005 or 2006 tax year,
25 or ceases depositing taxes into a tax increment fund created under
26 that chapter under a reinvestment zone financing plan that was in
27 effect for the 2005 or 2006 tax year.

1 (f-2) The rules adopted by the commissioner under
2 Subsection (f-1) must:

3 (1) require the commissioner to determine, as if this
4 section did not exist, the effect under Chapter 41 and this chapter
5 of a school district's action described by Subsection (f-1)(1),
6 (2), (3), or (4) on the total state revenue to which the district
7 would be entitled or the cost to the district of purchasing
8 sufficient attendance credits to reduce the district's wealth per
9 student to the equalized wealth level; and

10 (2) require an increase or reduction in the amount of
11 state revenue to which a school district is entitled under
12 Subsection (b) that is substantially equivalent to any change in
13 total state revenue or the cost of purchasing attendance credits
14 that would apply to the district if this section did not exist.

15 (f-3) An adjustment made by the commissioner under the rules
16 adopted under Subsection (f-1) is final and may not be appealed.

17 SECTION 2. Effective September 1, 2010, Section
18 42.302(a-1), Education Code, is amended to read as follows:

19 (a-1) In this section, "wealth per student" has the meaning
20 assigned by Section 41.001. For purposes of Subsection (a), the
21 dollar amount guaranteed level of state and local funds per
22 weighted student per cent of tax effort ("GL") for a school district
23 is:

24 (1) the amount of district tax revenue per weighted
25 student per cent of tax effort available to a district at the 88th
26 percentile in wealth per student, as determined by the commissioner
27 in cooperation with the Legislative Budget Board, for the

1 district's maintenance and operations tax effort equal to or less
2 than the rate equal to the product of the state compression
3 percentage, as determined under Section 42.2516, multiplied by the
4 maintenance and operations tax rate adopted by the district for the
5 2005 tax year;

6 (2) the greater of the amount of district tax revenue
7 per weighted student per cent of tax effort available to the Austin
8 Independent School District, as determined by the commissioner in
9 cooperation with the Legislative Budget Board, or the amount of
10 district tax revenue per weighted student per cent of tax effort
11 used for purposes of this subdivision in the preceding school year,
12 for the first six cents by which the district's maintenance and
13 operations tax rate exceeds the rate equal to the product of the
14 state compression percentage, as determined under Section 42.2516
15 ~~[and notwithstanding the limitation on district enrichment tax rate~~
16 ~~("DTR") under Section 42.303]~~, multiplied by the maintenance and
17 operations tax rate adopted by the district for the 2005 tax year;
18 and

19 (3) \$31.95, for the district's maintenance and
20 operations tax effort that exceeds the amount of tax effort
21 described by Subdivision (2).

22 SECTION 3. Except as otherwise provided by this Act, this
23 Act takes effect September 1, 2007.

H.B. No. 828

President of the Senate

Speaker of the House

I certify that H.B. No. 828 was passed by the House on May 9, 2007, by the following vote: Yeas 144, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 828 on May 25, 2007, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 828 on May 27, 2007, by the following vote: Yeas 146, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 828

I certify that H.B. No. 828 was passed by the Senate, with amendments, on May 23, 2007, by the following vote: Yeas 29, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 828 on May 27, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor