

By: Kolkhorst

H.B. No. 3728

A BILL TO BE ENTITLED

AN ACT

relating to state education fiscal matters.

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

ARTICLE 1. INCREASING THE CAPACITY OF THE PERMANENT SCHOOL FUND
BOND GUARANTEE PROGRAM

SECTION 1.01. Section 45.053(a), Education Code, is amended to read as follows:

(a) The commissioner may not approve bonds for guarantee if the approval would result in the total amount of outstanding guaranteed bonds exceeding an amount equal to three [~~2-1/2~~] times the cost value or market value, whichever is less, of the permanent school fund, as estimated by the board and certified by the state auditor.

ARTICLE 2. SOURCES OF FUNDING THE COSTS OF THE STUDENT ASSESSMENT
SYSTEM IN PUBLIC SCHOOLS

SECTION 2.01. Section 39.023(e), Education Code, is amended to read as follows:

(e) Under rules adopted by the State Board of Education, every third [~~other~~] year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (b), (c), (d), or (l) after the last time the instrument is administered for that school year. To ensure a valid bank of questions for use each year, the agency is not required to release a question that is being field-tested and was not used to

1 compute the student's score on the instrument. The agency shall
2 also release, under board rule, each question that is no longer
3 being field-tested and that was not used to compute a student's
4 score.

5 SECTION 2.02. Section 39.024(e), Education Code, is amended
6 to read as follows:

7 (e) The commissioner [~~shall retain a portion of the total~~
8 ~~amount of funds allotted under Section 42.152(a) that the~~
9 ~~commissioner considers appropriate to finance activities under~~
10 ~~Subsections (c) and]~~ may retain a portion of the total amount of
11 funds allotted under Section 42.152(a) for activities under
12 Subsection (d) and for intensive programs of instruction for
13 students of limited English proficiency offered by school districts
14 and shall reduce each district's allotment proportionately.

15 SECTION 2.03. Section 39.031, Education Code, is amended by
16 amending Subsection (a) and adding Subsections (c) and (d) to read
17 as follows:

18 (a) Subject to Subsection (c), the [The] cost of preparing,
19 administering, or grading the assessment instruments and
20 developing or distributing study guides under Section 39.024(c)
21 shall be paid from the funds allotted under Section 42.2516
22 [42.152], and each district shall bear the cost in the same manner
23 described for a reduction in allotments under Section 42.253. If a
24 district does not receive an allotment under Section 42.2516
25 [42.152], the commissioner shall subtract the cost from the
26 district's other foundation school fund allotments, including any
27 amounts described by Rider 69, page III-19, Chapter 1369, Acts of

1 the 79th Legislature, Regular Session, 2005 (the General
2 Appropriations Act). A reduction made to another foundation school
3 fund allotment under this subsection does not affect the amount to
4 which a district is entitled under Section 42.2516.

5 (c) The total amount of funds set aside under Subsection (a)
6 to pay the costs described by that subsection may not exceed the
7 amount appropriated by the legislature for that purpose in the
8 General Appropriations Act.

9 (d) The commissioner may adopt rules necessary to
10 administer this section.

11 SECTION 2.04. Section 42.152(e), Education Code, is
12 repealed.

13 SECTION 2.05. This article takes effect September 1, 2007.

14 ARTICLE 3. DEPOSIT OF CERTAIN EMPLOYER CONTRIBUTIONS TO THE
15 TEACHER RETIREMENT SYSTEM OF TEXAS

16 SECTION 3.01. Section 825.406(b), Government Code, is
17 amended to read as follows:

18 (b) When an employer receives money for state contributions
19 from an application made in accordance with Subsection (a), the
20 employer shall immediately send the money to the retirement system
21 for deposit in the state contribution account [~~general revenue fund~~
22 ~~of the state treasury~~].

23 SECTION 3.02. Section 825.407(g), Government Code, is
24 amended to read as follows:

25 (g) The retirement system shall deposit [~~submit~~] all money
26 it receives under this section [~~to the comptroller of public~~
27 ~~accounts for deposit~~] in the state contribution account [~~general~~

1 ~~revenue fund~~].

2 SECTION 3.03. Section 1575.252, Insurance Code, is amended
3 to read as follows:

4 Sec. 1575.252. APPLICATION BY EMPLOYER FOR MONEY TO PAY
5 STATE CONTRIBUTIONS. An employer who applies for money provided by
6 the United States or a privately sponsored source shall:

7 (1) if any of the money will pay part or all of an
8 active employee's salary, also apply for any legally available
9 money to pay state contributions required by Subchapter E; and

10 (2) immediately send any money received for state
11 contributions as a result of the application to the trustee for
12 deposit in the [~~general revenue~~] fund.

13 SECTION 3.04. The changes in law made by this article to
14 Sections 825.406 and 825.407, Government Code, and Section
15 1575.252, Insurance Code, requiring that contributions be
16 deposited in the state contribution account and in the retired
17 school employees group insurance fund, respectively, instead of the
18 general revenue fund apply to a contribution received by the
19 Teacher Retirement System of Texas on or after the effective date of
20 this article.

21 SECTION 3.05. This article takes effect September 1, 2007.

22 ARTICLE 4. ELIGIBILITY OF SCHOOL DISTRICTS FOR STATE ASSISTANCE
23 WITH PAYMENT OF EXISTING DEBT

24 SECTION 4.01. 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 2006-2007 [~~2004-2005~~] 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 4.02. Section 46.034(c), Education Code, is amended
11 to 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 2006-2007
15 [~~2004-2005~~] 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 4.03. This article takes effect September 1, 2007.

21 ARTICLE 5. EFFECTIVE DATE

22 SECTION 5.01. Except as otherwise provided by this Act,
23 this Act takes effect immediately if it receives a vote of
24 two-thirds of all the members elected to each house, as provided by
25 Section 39, Article III, Texas Constitution. If this Act does not
26 receive the vote necessary for immediate effect, except as
27 otherwise provided by this Act, this Act takes effect on the 91st

H.B. No. 3728

1 day after the last day of the legislative session.