

SENATE AMENDMENTS

2nd Printing

By: Kolchorst, Heflin, Menendez, Aycok,
Darby, et al.

H.B. No. 1922

A BILL TO BE ENTITLED

AN ACT

relating to eligibility of school districts for state assistance
with payment of existing debt.

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

SECTION 1. Section 46.033, Education Code, is amended to
read as follows:

Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued
under Section 45.006, are eligible to be paid with state and local
funds under this subchapter if:

(1) the district made payments on the bonds during the
2006-2007 [~~2004-2005~~] school year or taxes levied to pay the
principal of and interest on the bonds were included in the
district's audited debt service collections for that school year;
and

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

SECTION 2. Section 46.034(c), Education Code, is amended to
read as follows:

(c) If the amount required to pay the principal of and
interest on eligible bonds in a school year is less than the amount
of payments made by the district on the bonds during the 2006-2007
[~~2004-2005~~] school year or the district's audited debt service
collections for that school year, the district may not receive aid

H.B. No. 1922

1 in excess of the amount that, when added to the district's local
2 revenue for the school year, equals the amount required to pay the
3 principal of and interest on the bonds.

4 SECTION 3. This Act takes effect September 1, 2007.

ADOPTED

FLOOR AMENDMENT NO. 1

MAY 08 2007

BY:

Atty. Gen. Spaw
Secretary of the Senate

Shayni

1 Amend H.B. No. 1922 by adding the following appropriately
2 numbered SECTION and renumbering subsequent SECTIONS of the bill
3 accordingly:

4 SECTION ____ . Section 42.2516, Education Code, is amended
5 by amending Subsection (b) and adding Subsection (b-1) to read
6 as follows:

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

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

14 (A) the amount of state and local revenue per
15 student in weighted average daily attendance for the maintenance
16 and operations of the district available to the district for the
17 2005-2006 school year;

18 (B) the amount of state and local revenue per
19 student in weighted average daily attendance for the maintenance
20 and operations of the district to which the district would have
21 been entitled for the 2006-2007 school year under this chapter,
22 as it existed on January 1, 2006, or, if the district would have
23 been subject to Chapter 41, as that chapter existed on January
24 1, 2006, the amount to which the district would have been
25 entitled under that chapter, based on the funding elements in
26 effect for the 2005-2006 school year, if the district imposed a
27 maintenance and operations tax at the rate adopted by the
28 district for the 2005 tax year; or

3

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

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

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

21 (b-1) The amount determined for a school district under
22 Subsection (b) is increased or reduced as follows:

23 (1) if for any school year the district is entitled
24 to a greater allotment under Section 42.158 than the allotment
25 to which the district was entitled under that section for the
26 school year on which the district's entitlement under Subsection
27 (b) is based, the district's entitlement under Subsection (b) is
28 increased by an amount equal to the difference between the
29 amount to which the district is entitled under Section 42.158
30 for that school year and the amount to which the district was

24

1 entitled under that section for:
2 (A) the 2005-2006 school year, if the amount
3 determined for the district under Subsection (b) is determined
4 under Subsection (b)(1)(A); or
5 (B) the 2006-2007 school year, if the amount
6 determined for the district under Subsection (b) is determined
7 under Subsection (b)(1)(B) or (C); and
8 (2) if for any school year the district is not
9 entitled to an allotment under Section 42.158 or is entitled to
10 a lesser allotment under that section than the allotment to
11 which the district was entitled under that section for the
12 school year on which the district's entitlement under Subsection
13 (b) is based, the district's entitlement under Subsection (b) is
14 reduced by an amount equal to the difference between the amount
15 to which the district was entitled under Section 42.158 for the
16 2005-2006 or 2006-2007 school year, as appropriate based on
17 whether the district's entitlement under Subsection (b) is
18 determined under Subsection (b)(1)(A), (B), or (C), and the
19 amount to which the district is entitled under Section 42.158
20 for the current school year.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: HB1922 by Kolthorst (Relating to eligibility of school districts for state assistance with payment of existing debt.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1922, As Engrossed: a negative impact of (\$150,000,000) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$75,000,000)
2009	(\$75,000,000)
2010	(\$70,000,000)
2011	(\$65,000,000)
2012	(\$60,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193
2008	(\$75,000,000)
2009	(\$75,000,000)
2010	(\$70,000,000)
2011	(\$65,000,000)
2012	(\$60,000,000)

Fiscal Analysis

The bill would roll forward the eligibility date for the Existing Debt Allotment program to provide state assistance for the repayment of debt service on bonds for which the district levied taxes and made payments on during the 2006-2007 school year would become eligible for assistance under the Existing Debt allocation (EDA) program.

This bill would become effective September 1, 2007.

Methodology

Rolling the eligibility date forward for the EDA is estimated to cost \$75 million in each year of the 2008-09 biennium, decreasing slightly over time to reflect increased property values.

Technology

This bill has no identifiable effect on the Texas Education Agency's technology costs.

Local Government Impact

The rolling forward of EDA eligibility would provide additional state aid to school districts with eligible bonded debt and allow those school districts to avoid levying additional property taxes than they otherwise would have to levy.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, JSp, UP, JGM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 27, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: **HB1922** by Kolkhorst (Relating to eligibility of school districts for state assistance with payment of existing debt.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1922, As Introduced: a negative impact of (\$150,000,000) through the biennium ending August 31, 2009.

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