

## **BILL ANALYSIS**

S.B. 587  
By: Shapiro  
Public Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The existing debt allotment covers all bonds on which school districts have made payments during the 2006-2007 school year. Since this date is set statutorily to include any debt issued by school districts since then, the eligibility date must be rolled forward.

S.B. 587 establishes that bonds are eligible to be paid with state and local funds if a school district made payments on the bonds during the 2008-2009 school year.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 587 amends the Education Code to change from the 2006-2007 school year to the 2008-2009 school year the base year for debt service on school district bonds for purposes of determining a school district's eligibility for state aid in the payment of existing debt. The bill makes school district bonds eligible to be paid with state and local funds through the existing debt allotment (EDA) if the district made payments on the bonds during the 2008-2009 school year or taxes levied for debt service on the bonds were included in the district's audited debt service collections for that school year and the district does not receive state aid through the instructional facilities allotment for the debt service on those bonds.

S.B. 587 limits state aid through the EDA if a district's debt service on eligible bonds is less than either the district's debt service on those bonds during the 2008-2009 school year or the district's audited debt service collections for that school year; state aid in such case is limited to the difference between the district's local revenue for the school year and the amount required to pay the principal of and interest on the bonds.

### **EFFECTIVE DATE**

September 1, 2009.