

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

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

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

IN RE: SB587 by Shapiro (Relating to the 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 SB587, As Engrossed: a negative impact of (\$69,800,000) through the biennium ending August 31, 2011.

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
2010	(\$35,500,000)
2011	(\$34,300,000)
2012	(\$33,300,000)
2013	(\$32,200,000)
2014	(\$30,900,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2010	(\$35,500,000)
2011	(\$34,300,000)
2012	(\$33,300,000)
2013	(\$32,200,000)
2014	(\$30,900,000)

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 2008-2009 school year would become eligible for assistance under the Existing Debt Allocatment (EDA) program.

This bill would become effective September 1, 2007.

Methodology

Rolling the eligibility date forward for EDA has an estimated cost of \$35.5 million in FY2010 and \$34.3 in FY2011, decreasing slightly over subsequent years to reflect increased property values.

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, JGM