

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 25, 2009**

**TO:** Honorable Florence Shapiro, Chair, Senate Committee on 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 Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB587, As Introduced: 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193</b>
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 Allotment (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