

BILL ANALYSIS

C.S.H.B. 3639
By: Pitts
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.H.B. 3639 sets forth certain statutory changes interested parties deem necessary to comply with assumptions made in H.B. 1, to respond to state fiscal concerns, and to address certain fiscal matters. The bill also seeks to implement selected Texas State Government Effectiveness and Efficiency recommendations and make adjustments to current law in order to facilitate the administration of the state's financial resources. C.S.H.B. 3639 seeks to authorize these statutory changes for the agencies listed under Article III of H.B. 1.

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

Article 1. Reduction of Expenditures and Imposition of Charges Generally

C.S.H.B. 3639 authorizes any state agency, school, institution of higher education, or other entity that receives an appropriation under Article III of the General Appropriations Act to reduce or recover expenditures by:

- consolidating any reports or publications the entity is required to make and filing or delivering any of those reports or publications exclusively by electronic means;
- extending the effective period of any license, permit, or registration the entity grants or administers;
- entering into a contract with another governmental entity or with a private vendor to carry out any of the entity's duties;
- adopting additional eligibility requirements for persons who receive benefits under any law the entity administers to ensure that those benefits are received by the most deserving persons consistent with the purposes for which the benefits are provided;
- providing that any communication between the entity and another person and any document required to be delivered to or by the entity, including any application, notice, billing statement, receipt, or certificate, may be made or delivered by e-mail or through the Internet; and
- adopting and collecting fees or charges to cover any costs the entity incurs in performing its lawful functions.

Article 2. Fiscal Matters Concerning Retired Teachers

C.S.H.B. 3639 amends the Government Code to remove the prohibition against the state making a contribution to the Teacher Retirement System of Texas (TRS) during each fiscal year in an amount that is less than the amount contributed by TRS members during that fiscal year and to

make this removal applicable beginning with the state fiscal year that begins September 1, 2011.

C.S.H.B. 3639 amends the Insurance Code to reduce the amount the state is required to contribute to the retired school employees group insurance fund from one to 0.5 percent of the salary of each active employee and to make this reduction applicable beginning with the state fiscal year that begins September 1, 2011.

Article 3. Fiscal Matters Concerning Foundation School Program Payments

C.S.H.B. 3639 amends the Education Code to change the payment period for the installment of the foundation school fund totaling 15 percent of the yearly entitlement of a category 2 school district from on or before the 25th day of August to after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the 22 percent installment payment made to the district on or before the 25th day of September of a fiscal year. The bill changes the payment period for the installment of the foundation school fund totaling 20 percent of the yearly entitlement of a category 3 school district from on or before the 25th day of August to after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the 45 percent installment payment made to the district on or before the 25th day of September of a fiscal year. The bill excepts the above payments made to a category 2 or category 3 school district from the requirement that previously unpaid additional funds from prior years owed to a district be paid to the district together with the September payment of the current year entitlement and specifies that the years to which this requirement refers are fiscal years.

C.S.H.B. 3639 repeals provisions requiring the comptroller of public accounts to estimate the amount from the state lottery account to be transferred to the foundation school fund by a certain date and to transfer that amount by a certain date.

Article 4. Fiscal Matters Concerning Advanced Placement

C.S.H.B. 3639 amends the Education Code to add as a requirement for a public school student to be eligible to have advanced placement examinations paid for by the College Board and Educational Testing Service and the International Baccalaureate Organization the demonstration of financial need as determined in accordance with guidelines adopted by the State Board of Education that are consistent with the definition of financial need adopted by the college board or the organization. The bill makes a nonsubstantive change to conform with certain drafting conventions.

Article 5. Fiscal Matters Concerning Early High School Graduation

C.S.H.B. 3639 amends the Education Code to limit eligibility for an award under the Early High School Graduation Scholarship program by prohibiting a person from receiving an award under the program if the person graduates from high school on or after September 1, 2011. The bill sets provisions relating to the program to expire September 1, 2017.

C.S.H.B. 3639 requires the commissioner of education to transfer funds from gifts, grants, and donations made to the Texas Education Agency for the purpose of tuition exemptions for educational aides to the Texas Higher Education Coordinating Board to distribute to institutions of higher education that provide such exemptions. The bill removes the requirement that savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program that are not required for the funding of certain state credits or school district credits be used first to provide tuition exemptions for specified Temporary Assistance for Needy Families students, with the remainder used for tuition exemptions for educational aides.

C.S.H.B. 3639 repeals provisions relating to notification by high schools regarding requirements of the Early High School Graduation Scholarship program.

Article 6. Fiscal Matters Concerning Tuition Exemptions

C.S.H.B. 3639 amends the Education Code to specify that the courses required for teacher certification in which a person must be enrolled to be eligible for the tuition exemption for educational aides be in one or more subject areas determined by the Texas Education Agency to be experiencing a critical shortage of teachers at Texas public schools. The bill makes this change in law applicable beginning with tuition and fees charged for the 2011 fall semester.

Article 7. Fiscal Matters Concerning Dual High School and Junior College Credit

C.S.H.B. 3639 amends the Education Code to exclude a course for which a student attending high school may receive course credit toward the physical education curriculum requirement from the requirement that the contact hours attributable to the enrollment of the student in a course offered for joint high school and junior college credit be included in the contact hours used to determine the junior college's proportionate share of the state money appropriated and distributed to public junior colleges. The bill makes this exclusion applicable beginning with funding for the 2011 fall semester.

C.S.H.B. 3639 makes conforming and nonsubstantive changes.

C.S.H.B. 3639 repeals the following provisions:

- Section 466.355(c), Government Code; and
- Section 56.210, Education Code.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3639 omits a provision included in the original limiting the amount of additional state aid to which a school district is entitled to offset the loss of local revenue resulting from previously enacted tax rate reduction to the amount necessary to result in a total amount of state and local revenue per student in weighted average daily attendance of \$8,000.

C.S.H.B. 3639 contains provisions not included in the original changing the payment periods for certain installments of the foundation school fund to a category 2 and category 3 school district. The substitute contains a provision not included in the original excepting such payments from the requirement that previously unpaid additional funds from prior years owed to a district be paid to the district together with the September payment of the current year entitlement and specifying that the years to which this requirement refers are fiscal years.

C.S.H.B. 3639 contains a provision not included in the original repealing the requirement that the comptroller of public accounts estimate and then transfer the required amount from the state lottery account to the foundation school fund. The substitute contains a transition provision not included in the original.