

By: Giddings

H.B. No. 1894

A BILL TO BE ENTITLED

AN ACT

relating to the balance maintained in a school district's general fund and associated requirements regarding the general fund.

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

SECTION 1. Subchapter D, Chapter 39, Education Code, is amended by adding Section 39.0822 to read as follows:

Sec. 39.0822. GENERAL FUND REQUIREMENTS. (a) The commissioner by rule shall require each school district to:

(1) maintain a minimum balance in the district's general fund; and

(2) publicly report each year the district's intended use of general fund balances that exceed a specified percentage of the district's annual operating expenditures.

(b) For purposes of Subsection (a)(1), the commissioner may express the balance required as a percentage of a district's annual operating expenditures or in another manner considered appropriate by the commissioner. The commissioner may impose variable balance requirements for school districts based on relevant school district characteristics.

(c) Each school district board of trustees must adopt a policy regarding the operation of the general fund and the minimum balance to be maintained by the district.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2015.