

By: Faircloth

H.B. No. 351

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of a commission to evaluate the potential  
3 continuation of additional state aid for tax reduction and  
4 recommend improvements to the public school finance system.

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

6 SECTION 1. Chapter 42, Education Code, is amended by adding  
7 Subchapter L to read as follows:

8 SUBCHAPTER L. TEXAS COMMISSION ON PUBLIC SCHOOL FINANCE

9 Sec. 42.601. DEFINITION. In this subchapter, "commission"  
10 means the Texas Commission on Public School Finance.

11 Sec. 42.602. TEXAS COMMISSION ON PUBLIC SCHOOL FINANCE.

12 (a) The Texas Commission on Public School Finance is established  
13 to:

14 (1) evaluate the potential continuation of additional  
15 state aid for tax reduction;

16 (2) evaluate the feasibility of reducing required  
17 payments under Chapter 41 for a school district in which at least 65  
18 percent of the enrolled students are educationally disadvantaged or  
19 at risk of dropping out of school, as defined by Section 29.081(d),  
20 so that the resulting local revenue retained by the district may be  
21 used to pay maintenance and operations costs; and

22 (3) develop and make recommendations for improvements  
23 to the current public school finance system or for new methods of  
24 financing public schools.

1       (b) The commission is composed of 15 members, consisting of  
2 the following:

3           (1) four members appointed by the governor;

4           (2) three members appointed by the lieutenant  
5 governor;

6           (3) three members appointed by the speaker of the  
7 house of representatives;

8           (4) the chair of the senate committee on education, or  
9 a representative designated by the chair;

10          (5) the chair of the senate committee on finance, or a  
11 representative designated by the chair;

12          (6) the chair of the house of representatives  
13 committee on public education, or a representative designated by  
14 the chair;

15          (7) the chair of the house of representatives  
16 committee on appropriations, or a representative designated by the  
17 chair; and

18          (8) a member of the State Board of Education, as  
19 designated by the chair of that board.

20       (c) In making appointments under Subsections (b)(1), (2),  
21 and (3), the governor, lieutenant governor, and speaker of the  
22 house of representatives shall coordinate to ensure that the  
23 membership of the commission reflects, to the extent possible, the  
24 ethnic diversity of this state and includes at least one of each of  
25 the following representatives:

26           (1) an administrator in the public school system or an  
27 elected member of the board of trustees of a school district;

1           (2) a member of the business community; and

2           (3) a member of the civic community.

3           Sec. 42.603. PRESIDING OFFICER. The governor shall  
4 designate the presiding officer of the commission.

5           Sec. 42.604. COMPENSATION AND REIMBURSEMENT. A member of  
6 the commission is not entitled to compensation for service on the  
7 commission but is entitled to reimbursement for actual and  
8 necessary expenses incurred in performing commission duties.

9           Sec. 42.605. ADMINISTRATIVE SUPPORT AND FUNDING.

10 (a) Staff members of the agency shall provide administrative  
11 support for the commission.

12           (b) Funding for the administrative and operational expenses  
13 of the commission shall be provided by appropriation to the agency  
14 for that purpose.

15           Sec. 42.606. RECOMMENDATIONS. (a) The commission shall  
16 develop recommendations under this subchapter to address issues  
17 related to the public school finance system, including:

18           (1) whether the state should continue providing  
19 additional state aid for tax reduction formerly provided under  
20 Section 42.2516, based on an evaluation of the effect on school  
21 districts of the loss of that state aid, with a focus on districts  
22 for which that state aid constituted at least four percent of the  
23 districts' annual maintenance and operations budgets;

24           (2) whether the state should modify requirements  
25 applicable to school districts under Chapter 41, as described by  
26 Section 42.602(a)(2);

27           (3) the purpose of the public school finance system

1 and the relationship between state and local funding in that  
2 system;

3 (4) the appropriate levels of local maintenance and  
4 operations and interest and sinking fund tax effort necessary to  
5 implement a public school finance system that complies with the  
6 requirements under the Texas Constitution; and

7 (5) policy changes to the public school finance system  
8 necessary to adjust for student demographics and the geographic  
9 diversity in the state.

10 (b) The commission may establish one or more working groups  
11 composed of not more than five members of the commission to study,  
12 discuss, and address specific policy issues and recommendations to  
13 refer to the commission for consideration.

14 Sec. 42.607. REPORT. Not later than December 31, 2018, the  
15 commission shall prepare and deliver a report to the governor and  
16 the legislature that recommends statutory changes to improve the  
17 public school finance system, including any adjustments to funding  
18 to account for student demographics.

19 Sec. 42.608. PUBLIC MEETINGS AND PUBLIC INFORMATION.

20 (a) The commission may hold public meetings as needed to fulfill  
21 its duties under this subchapter.

22 (b) The commission is subject to Chapters 551 and 552,  
23 Government Code.

24 Sec. 42.609. COMMISSION ABOLISHED; EXPIRATION OF  
25 SUBCHAPTER. (a) The commission is abolished January 8, 2019.

26 (b) This subchapter expires January 8, 2019.

27 SECTION 2. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect on the 91st day after the last day of the  
5 legislative session.