

By: González of El Paso

H.B. No. 2084

A BILL TO BE ENTITLED

AN ACT

relating to the guaranteed level of state and local funds for the instructional facilities allotment and the existing debt allotment under the public school finance system.

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

SECTION 1. Section 46.003, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The amount of state support is determined by the formula:

$$FYA = (FYL \times ADA \times BTR \times 100) - (BTR \times (DPV/100))$$

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the amount of district tax revenue per student in average daily attendance per cent of tax effort available to a district at the 88th percentile in wealth per student in average daily attendance, as determined by

1 the commissioner in cooperation with the Legislative Budget Board,  
2 [~~\$35~~] or a greater amount for any year provided by appropriation;

3 "ADA" is the greater of the number of students in average  
4 daily attendance, as determined under Section 42.005, in the  
5 district or 400;

6 "BTR" is the district's bond tax rate for the current year,  
7 which is determined by dividing the amount budgeted by the district  
8 for payment of eligible bonds by the quotient of the district's  
9 taxable value of property as determined under Subchapter M, Chapter  
10 403, Government Code, or, if applicable, Section 42.2521, divided  
11 by 100; and

12 "DPV" is the district's taxable value of property as  
13 determined under Subchapter M, Chapter 403, Government Code, or, if  
14 applicable, Section 42.2521.

15 (a-1) The percentile in wealth per student described by  
16 Subsection (a) for purposes of determining the dollar amount  
17 guaranteed level of state and local funds ("FYL") applies beginning  
18 with the 2025-2026 school year. For the 2017-2018 through  
19 2024-2025 school years, "FYL" is determined as follows:

20 (1) for the 2017-2018 and 2018-2019 school years,  
21 "FYL" is determined under Subsection (a) using the 52nd percentile  
22 in wealth per student;

23 (2) for the 2019-2020 and 2020-2021 school years,  
24 "FYL" is determined under Subsection (a) using the 61st percentile  
25 in wealth per student;

26 (3) for the 2021-2022 and 2022-2023 school years,  
27 "FYL" is determined under Subsection (a) using the 70th percentile

1 in wealth per student; and

2 (4) for the 2023-2024 and 2024-2025 school years,  
3 "FYL" is determined under Subsection (a) using the 79th percentile  
4 in wealth per student.

5 (a-2) Subsection (a-1) and this subsection expire September  
6 1, 2026.

7 SECTION 2. Section 46.032, Education Code, is amended by  
8 amending Subsection (a) and adding Subsections (a-1) and (a-2) to  
9 read as follows:

10 (a) Each school district is guaranteed a specified amount  
11 per student in state and local funds for each cent of tax effort to  
12 pay the principal of and interest on eligible bonds. The amount of  
13 state support, subject only to the maximum amount under Section  
14 46.034, is determined by the formula:

15 
$$EDA = (EDGL \times ADA \times EDTR \times 100) - (EDTR \times (DPV/100))$$

16 where:

17 "EDA" is the amount of state funds to be allocated to the  
18 district for assistance with existing debt;

19 "EDGL" is the dollar amount guaranteed level of state and  
20 local funds per student per cent of tax effort, which is the amount  
21 of district tax revenue per student in average daily attendance per  
22 cent of tax effort available to a district at the 88th percentile in  
23 wealth per student in average daily attendance, as determined by  
24 the commissioner in cooperation with the Legislative Budget Board,  
25 [\$35] or a greater amount for any year provided by appropriation;

26 "ADA" is the number of students in average daily attendance,  
27 as determined under Section 42.005, in the district;

1 "EDTR" is the existing debt tax rate of the district, which is  
2 determined by dividing the amount budgeted by the district for  
3 payment of eligible bonds by the quotient of the district's taxable  
4 value of property as determined under Subchapter M, Chapter 403,  
5 Government Code, or, if applicable, under Section 42.2521, divided  
6 by 100; and

7 "DPV" is the district's taxable value of property as  
8 determined under Subchapter M, Chapter 403, Government Code, or, if  
9 applicable, under Section 42.2521.

10 (a-1) The percentile in wealth per student described by  
11 Subsection (a) for purposes of determining the dollar amount  
12 guaranteed level of state and local funds ("EDGL") applies  
13 beginning with the 2025-2026 school year. For the 2017-2018  
14 through 2024-2025 school years, "EDGL" is determined as follows:

15 (1) for the 2017-2018 and 2018-2019 school years,  
16 "EDGL" is determined under Subsection (a) using the 52nd percentile  
17 in wealth per student;

18 (2) for the 2019-2020 and 2020-2021 school years,  
19 "EDGL" is determined under Subsection (a) using the 61st percentile  
20 in wealth per student;

21 (3) for the 2021-2022 and 2022-2023 school years,  
22 "EDGL" is determined under Subsection (a) using the 70th percentile  
23 in wealth per student; and

24 (4) for the 2023-2024 and 2024-2025 school years,  
25 "EDGL" is determined under Subsection (a) using the 79th percentile  
26 in wealth per student.

27 (a-2) Subsection (a-1) and this subsection expire September

1 1, 2026.

2 SECTION 3. This Act takes effect September 1, 2017.