

BILL ANALYSIS

Senate Research Center
88R786 GCB-F

H.B. 1206
By: Guillen; DeAyala (Parker)
Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The rating system for school districts is determined upon the assets of the district has at the moment divided by all the liabilities both present and potential. Currently, due to the recapture payments that some schools are required to pay to the state under the Robin Hood plan, this places an undue burden on the school and affects their performance ratings.

In essence, the state must recapture tax revenue from wealthy districts and distribute it to poor districts to equalize the financing of all school districts throughout Texas. The recaptured tax revenue shows up as a liability for the school, thus affecting their assets/liability and performance rating. This pending liability is paid after the performance rating comes out, and the amount can differentiate by the end of the year. It is not fair for the schools with this pending liability to be punished for having it, as it is the state's fault they have it.

H.B. 1206 adds that schools that are required to reduce their local revenue under Section 48.257 are not included as an indicator in the school's rating system. H.B. 1206 seeks to aid these school districts by removing recapture payments made to the state from the liabilities used in the rating of the school districts. This bill ensures that equity is restored to school districts that suffered from the Robin Hood plan; Texas acknowledges the effort of every school to provide proper education to our children.

H.B. 1206 amends current law relating to a determination of a school district's assets to liabilities ratio under the public school financial accountability rating system.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.082(c), Education Code, as follows:

(c) Prohibits the financial accountability rating system (system) from including an indicator under Subsection (b) (relating to requiring that the system include uniform indicators by which to measure certain factors) or any other performance measure that takes certain actions, including, for a school district required to reduce its local revenue level under Section 48.257 (Local Revenue Level in Excess of Entitlement), includes in determining the district's ratio of assets to liabilities any amount required to be expended by the district to comply with Chapter 49 (Options for Local Revenue Levels in Excess of Entitlement). Makes nonsubstantive changes.

SECTION 2. Provides that this Act applies beginning with the 2023–2024 school year.

SECTION 3. Effective date: upon passage or September 1, 2023.