

BILL ANALYSIS

Senate Research Center
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S.B. 1316
By: Staples
Education
4/24/2001
As Filed

DIGEST AND PURPOSE

Under current law, the state guarantees a yield of \$35 per average daily attendance for up to twelve cents of Interest and Sinking tax effort to equalize existing school district facilities bonds under the Existing Debt Allotment (EDA). The state guarantees the same amount for up to just over seven cents under an Instructional Facilities Allotment (IFA). About ninety percent of the state's student population resides in districts eligible for the EDA. As proposed, S.B. 1316 enhances the EDA by increasing the twelve cent limit to twenty-nine cents, provides for an automatic rolling forward of the years covered to include debt payments that can be certified by a district prior to January 1 of a legislative year, and adds a prohibition against a district using the same local effort to earn state assistance under Tier 2 and under the IFA or EDA. The bill also equalizes the actual amounts of debt service that will be paid each year instead of basing coverage on payments in a trigger year.

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 42.301, Education Code, to add language to include access to additional funds for facilities as part of what is provided to each school district by the guaranteed yield component of the Foundation School Program. Changes language relating to an allotment under this subchapter being used for any legal purpose including capital outlay and debt service from any legal purpose other than capital outlay or debt service. Adds language prohibiting a school district from receiving an allotment under this subchapter for any tax effort that receives an allotment under Chapter 46 of this code.

SECTION 2. Amends Section 46.005, Education Code, to change a reference from "the biennium in which the bonds are issued" to "each year of the biennium."

SECTION 3. Amends Section 46.033, Education Code, to provide that bonds, including bonds issued under Section 45.006, are eligible to be paid with state and local funds under this chapter if the district certifies to the commissioner prior to January 1 of the second year of the state fiscal biennium the amount of payments due on the bonds in each year of the state's next fiscal biennium. Deletes language relating to taxes levied to pay the principal of and interest on the bonds included in the district's audited debt service collections for the 1998-99 school year.

SECTION 4. Amends Section 46.034, Education Code, to prohibit the amount of state assistance to which a district is entitled from exceeding the amount to which the district would be entitled at the district's tax rate for the payment of eligible bonds in the amount certified under Section 46.033(1). Deletes language relating to the payment of eligible bonds for the fiscal year of the preceding state fiscal biennium. Makes a conforming change.

SECTION 5. Effective date: September 1, 2001.