

BILL ANALYSIS

Senate Research Center

S.B. 1460
By: Nelson
Education
3/30/2001
As Filed

DIGEST AND PURPOSE

Under the Existing Debt Allotment created through S.B. 4 in 1999, debt issued through the 1998-1999 school year that did not qualify for the Instructional Facilities Allotment program is eligible for equalized debt support, as long as a tax had been levied for that debt in 1998-1999. Equalized funding is provided for twelve cents of tax effort with a yield of \$35 per student in average daily attendance provided for each penny of tax effort. S.B. 4 also authorized the commissioner of education to authorize an increase in the Existing Debt Allotment tax rate on an annual basis if the commissioner finds that there are excess Foundation School Fund appropriations. Prior to the 2000-2001 school year, the commissioner made such a finding and increased the tax rate limit to twenty-nine cents. However, without a change in the current statutory limit, the limit will revert to twelve cents after the current school year, resulting in an increase in local debt service costs and higher property taxes in 2001-2002 and thereafter, along with fluctuating rates that contribute to taxpayer confusion. As proposed, S.B. 1460 raises the twelve cent statutory limit on Existing Debt Allotment equalized funding to twenty-nine cents and provides for a one-time reduction of the current Instructional Facilities Allotment application backlog prior to the granting of funds for additional applications.

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 46.006, Education Code, to add language requiring the commissioner of education (commissioner) to award state assistance for each new project for which a district requested assistance during the 1999-2000 or 2000-2001 school year but did not receive assistance solely because state money was not available. Requires a district to meet certain requirements to be eligible for state assistance under this subsection. Requires the commissioner, after providing assistance to all new projects described by Subsection (a), to rank each remaining school district applying by wealth per student. Makes conforming changes.

SECTION 2. Amends Section 46.034(a), Education Code, to change the amount the existing debt tax rate under Section 46.032 may not exceed from \$0.12 per \$100 of valuation to \$0.29 per \$100 of valuation.

SECTION 3. Effective date: September 1, 2001.