

## **BILL ANALYSIS**

Senate Research Center  
83R6953 GCB-F

S.B. 758  
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Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The 82nd Legislature deferred the Foundation School Program (FSP) payment to school districts scheduled for August of fiscal year 2013 to September of the following fiscal year. The effect of this deferral is that a total of 23 monthly FSP payments would be dispersed during the 2012-13 biennium, resulting in a onetime savings in fiscal year 2013.

S.B. 758 reverses the deferral and requires school districts to be paid an installment in August of fiscal year 2013.

As proposed, S.B. 758 amends current law relating to the established schedule of payments from the foundation school fund of the yearly entitlement of certain school districts.

### **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 42.259, Education Code, by amending Subsections (c), (d), and (f) and adding Subsections (c-1) and (d-1), as follows:

(c) Requires that payments from the foundation school fund to each category 2 school district (relating to a school district having a wealth per student of at least one-half of the statewide average wealth per student but not more than the statewide average wealth per student) be made as follows:

(1)-(7) Makes no changes to these subdivisions; and

(8) 15 percent of the yearly entitlement of the district is required to be paid in an installment to be made on or before the 25th day of August, rather than after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1) (requiring that a 22 percent installment of a certain entitlement be paid on or before the 25th day of September of a fiscal year).

(c-1) Requires that, notwithstanding Subsection (c)(8), the installment described by that subdivision be paid on or before the 30th day of August, 2013, for the state fiscal year ending August 31, 2013. Provides that this subsection expires August 31, 2013.

(d) Requires that payments from the foundation school fund to each category 3 school district (relating to a school having a wealth per student of more than the statewide average wealth per student) be made as follows:

(1)-(2) Makes no changes to these subdivisions; and

(3) 20 percent of the yearly entitlement of the district is required to be paid in an installment to be made on or before the 25th day of August, rather than after the

5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1) (requiring that 45 percent of a certain yearly entitlement be paid in an installment made on or before the 25th day of September of a fiscal year).

(d-1) Requires that, notwithstanding Subsection (d)(3), the installment for the state fiscal year ending August 31, 2013, described by that subdivision be paid on or before the 30th day of August, 2013. Provides that this subsection expires August 31, 2013.

(f) Deletes an exception under Subsection (c)(8) or (d)(3). Requires that previously unpaid additional funds from prior fiscal years owed to a district be paid to the district together with the September payment of the current fiscal year entitlement.

SECTION 2. Amends Section 466.355(c), Government Code, as follows:

(c) Requires the comptroller of public accounts, each August, to:

(1) estimate the amount to be transferred to the foundation school fund on or before September 15; and

(2) notwithstanding Subsection (b)(4) (relating to the transfer of a certain balance), transfer the amount estimated in Subdivision (1) to the foundation school fund before August installment payments are made under Section 42.259, Education Code, rather than before August 25.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or the 91st day after the last day of the legislative session.