

BILL ANALYSIS

Senate Research Center

S.B. 1916
By: Luna
Education
4-21-97
As Filed

DIGEST

Currently, certain Texas laws apply to equity finance provisions of public schools. Concern exists as to the disparity in funding for school districts that have high property values, versus school districts with lower property values. This bill establishes a guaranteed level of state funding for certain school districts.

PURPOSE

As proposed, S.B. 1916 establishes a guaranteed level of state funding for certain school districts.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 41.001(1) and (3), Education Code, to redefine "equalized wealth level," and "weighted average daily attendance."

SECTION 2. Amends Section 41.002(a), Education Code, to prohibit a school district from having a wealth per student that exceeds the wealth per student at which the district would not have unequalized local revenue to share under Subchapter D, rather than a wealth per student that exceeds \$200,000.

SECTION 3. Amends Section 41.003, Education Code, to set forth actions that a district with a wealth per student that exceeds the equalized wealth level may take, to include the sharing of unequalized local revenue as provided by Subchapter D. Deletes a provision authorizing a district to contract for the education of nonresident students as provided by Subchapter E.

SECTION 4. Amends Section 41.004(b), Education Code, to provide that an election for an option under Section 41.003(3) or (4), rather than (3)-(5), must be ordered before September 1 immediately following the notice under Subsection (a).

SECTION 5. Amends Chapter 41D, Education Code, as follows:

SUBCHAPTER D. New heading: SHARING OF UNEQUALIZED LOCAL REVENUE

Sec. 41.091. AGREEMENT. Authorizes a school district with a wealth per student that exceeds the equalized wealth level to execute an agreement with the commissioner of education (commissioner) to share unequalized local revenue, rather than purchase sufficient attendance credits, in the amount required by Section 41.092, that reduces the district's wealth per student to the equalized wealth level.

Sec. 41.092. New heading: AMOUNT OF UNEQUALIZED LOCAL REVENUE TO BE SHARED. Sets forth a method for computing the unequalized local revenue that a school district is required to share. Deletes proposed text and subsection regarding credits.

Sec. 41.093. New heading: PAYMENT. Deletes a proposed section regarding cost.

Requires a school district that enters into an agreement under Section 41.091 to pay its unequalized local revenue, in a certain manner, rather than in a certain manner for credits purchased. Makes a conforming change.

Sec. 41.094. DURATION. Makes a conforming change.

Sec. 41.095. VOTER APPROVAL. Sets forth the requirement for how a ballot is to be printed. Authorizes a school district in which the voters approved a proposition authorizing the board of trustees to purchase attendance credits under this subchapter as it existed on January 1, 1997 to share unequalized local revenue under an agreement under this subchapter without conducting an election under this section. Makes a conforming change.

Sec. 41.096. CREDIT FOR APPRAISAL COSTS. Requires the total amount of unequalized local revenue required under Section 41.092 to be shared with the state, rather than the total amount required under Section 41.093 for a district to purchase attendance credits. Deletes a provision providing that a school district is entitled to a reduction under Subsection (a) beginning with the 1996-1997 school year. Provides that the reduction to which a district is entitled is the sum of the amount computed under Subsection (a) for the 1997-1998 school year and certain other amounts that were not applied under former Section 41.097 for the 1996-1997 school year. Requires the difference of an amount exceeding the total amount required under Section 41.092 for the 1997-1998, rather than the 1996-1997 school year, to be carried forward. Makes conforming changes.

Sec. 41.097. New heading: LIMITATION. Deletes existing section regarding early agreement credit. Provides that Sections 41.093 and 41.096, rather than Sections 41.002, 41.094, 41.097, and 41.098, apply only to a district that executes an agreement to share all unequalized local revenue, rather than applying to a district that executes an agreement to purchase all attendance credits. Deletes a provision that applies to a district that executes an agreement to purchase attendance credits and an agreement to contract for the education of nonresident students.

SECTION 6. Amends Section 7.024(a), Education Code, to provide that the investment capital fund consists of money appropriated, rather than money transferred to the fund as provided by Section 42.152(1).

SECTION 7. Amends Section 29.082(a), Education Code, to authorize a school district to apply to the commissioner, rather than the agency, for funding. Requires funding distributed by the commissioner under this subsection to be from an amount appropriated for extended year programs. Sets forth requirements for the commissioner to consider in distributing funding to a school district. Requires the commissioner to provide for phasing in a district's share as determined under Subsection (a), if certain conditions apply. Provides that Subsections (a-1) and (a-2) expire September 1, 2000.

SECTION 8. Amends Section 33.001, Education Code, as follows:

Sec. 33.001. New heading: APPLICABILITY OF SUBCHAPTER; FUNDING. Requires this subchapter to apply only to a school district that receives funds under this section, rather than as provided by Section 42.152(i). Requires the commissioner to distribute funds appropriated for the purpose of programs under this subchapter each fiscal year. Requires preference to be given to a school district that received funds for a program under this subsection for the preceding school year in distributing funds. Requires the commissioner to coordinate the funds distributed under Subsection (b) with any other funds available for the program. Requires the school district to apply to receive funds from the commissioner. Requires the commissioner to give preference to the districts that have the highest concentration of at-risk students. Requires the school district to allocate an amount of local funds for school guidance and counseling programs that is equal to or greater than the amount of local funds that the school district allocated for that purpose during the preceding school year, for each school year that a school district receives funds under this section.

SECTION 9. Amends Section 39.024(c), Education Code, to require the commissioner to use funds

appropriated for the purpose of financing the development and distribution of the study guides. Deletes the requirement that the commissioner retain a portion of the total amount of funds considered appropriate by the commissioner allotted under Section 42.152(a). Deletes a provision requiring the commissioner to reduce each district's allotment proportionately.

SECTION 10. Amends Section 39.031, Education Code, as follows:

Sec. 39.031. COST. Requires the cost of preparing, administering, or grading the assessment instruments and releasing the question and answer keys under Section 39.023(d) to be paid from amounts appropriated to the agency for those purposes. Deletes a provision requiring certain costs to be paid from the funds allotted under Section 42.152 and for each district to bear the cost in the same manner described for a reduction in allotments under Section 42.253. Requires the commissioner to subtract the cost from the district's other foundation school fund allotments, if a district does not receive an allotment under Section 42.152.

SECTION 11. Amends Section 42.101, Education Code, as follows:

Sec. 42.101. BASIC ALLOTMENT. Provides that a district is entitled to an allotment of \$2,190, rather than \$2,387, for each student in average daily attendance meeting certain requirements.

SECTION 12. Amends Section 42.151(1), Education Code, to require the commissioner to distribute to school districts funds appropriated for programs under this section. Deletes provisions that require the commissioner to withhold an amount specified in the General Appropriations Act and to distribute that amount to school districts for programs under Section 29.014. Deletes a provision requiring the commissioner to reduce each district's allotment proportionately and to allocate funds to each district accordingly, after deducting the amount withheld under this subsection from the total amount appropriated for special education.

SECTION 13. Redesignates Sections 42.152(f) and (g), Education Code, as Sections 29.085(e) and (f), to require the commissioner to distribute funds appropriated to school districts for programs under this section each fiscal year. Deletes a provision that requires the commissioner to withhold an amount to be determined by the commissioner, not to be less than \$10,000,000, and to distribute that amount for programs under Section 29.085, from the total amount of funds appropriated for allotments under this section. Provides that the program established under this section is required only in certain districts in which funds are distributed under this subsection. Requires the commissioner to coordinate the funds distributed under Subsection (e) with any other funds available for the program. Deletes a provision requiring the commissioner to coordinate and distribute certain withheld funds.

SECTION 14. Redesignates Section 42.152(m), Education Code, as Section 29.081(g), to require the commissioner to distribute funds appropriated for that purpose to certain school districts. Deletes a provision authorizing the commissioner to withhold an amount not exceeding \$1 million each fiscal year from the total amount of funds appropriated for allotments under this section.

SECTION 15. Redesignates Section 42.156(f), Education Code, as Section 29.124, as follows:

Sec. 29.124. FUNDING OF ADDITIONAL PROGRAMS. Requires the commissioner to distribute to school districts funds appropriated for certain programs. Deletes a provision authorizing the State Board of Education to use up to \$500,000 of the funds allocated under this section for certain programs, after each district has received allotted funds for this program. Provides that a program must meet certain eligibility requirements to be eligible for funding under this section.

SECTION 16. Amends Section 42.302(a), Education Code, to redefine "GL" used in the determination of the guaranteed yield amount.

SECTION 17. Amends Section 42.303, Education Code, as follows:

Sec. 42.303. LIMITATION ON ENRICHMENT AND FACILITIES TAX RATE. Provides that a school district is not entitled to receive state funds based on a tax rate in excess of the rate necessary for the current year, using state funds received under Section 42.302, to make payments of principal and interest on bonds for which the tax is pledged. Provides that the first \$1.50 per \$100 of valuation of a school district's total tax rate is considered to be the rate of a tax levied for maintenance and operations purposes.

SECTION 18. Repealers: Sections 41.002(e) and (f), and 42.152(e), (h)-(l), and (n)-(p); and Chapter 41E, Education Code (Equalized Wealth Level and Compensatory Education Allotment; Contract for Education of Nonresident Students).

SECTION 19. Requires the Legislative Budget Board to determine the basic allotment under the Foundation School Program for each school year. Sets forth the formula for determining the amount.

SECTION 20. Effective date: September 1, 1997.

SECTION 21. Emergency clause.