

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1353
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Education
4/19/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the Texas Education Code, when certain conditions are met, the Texas commissioner of education (commissioner) is authorized to order the annexation of an academically unacceptable school district into a neighboring school district, without the consent of the receiving school district.

Upon the effective date of the annexation, the receiving school district is immediately responsible for all the students, facilities, and debt of the annexed school district. Section 13.054, Education Code, provides certain funding over a five-year period following the annexation to assist the receiving school district with operations of the newly expanded school district; however, Section 13.054 does not provide specific funding for costs of facility renovation, repair, and replacement of facilities acquired from the newly annexed territory.

Although commissioner orders requiring the annexation of academically unacceptable school districts are rare, the financial impact on the receiving school district can be significant and can directly impact the overall success of the annexation effort.

S.B. 1353 amends Section 13.054(g), Education Code, to provide financial assistance to assist with the costs of facility renovation, repair, and replacement within the newly annexed territory from the academically unacceptable school district.

S.B. 1353 provides an additional five years of state aid to a receiving school district to which territory is annexed under a set financial formula based on the number of students received by the receiving school district.

The commissioner shall provide additional state aid from funds appropriated for purposes of the Foundation School Program and available for that purpose. S.B. 1353 establishes that a determination by the commissioner shall be final and may not be appealed. S.B. 1353 applies to a school district to which territory is annexed under Section 13.054, Education Code, on or after July 1, 2016. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1353 amends current law relating to state financial assistance for a school district to which an academically unacceptable school district is annexed.

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 13.054(g), Education Code, as follows:

(g) Provides that, in order to assist with the costs of facility renovation, repair, and replacement, a school district to which territory is annexed under this section is entitled to additional state aid for five years, beginning with the school year in which the annexation occurs, rather than that a district to which territory is annexed is entitled to additional state aid equal to the amount by which the annual debt service required to meet the

indebtedness incurred by the district due to the annexation exceeds the additional amount of state aid that results from the adjustment under Subsection (f) (relating to requiring the commissioner of education (commissioner) to adjust certain funds in annexed territory during a certain time period), if any. Requires the commissioner to determine the amount of additional state aid provided each year by dividing the amount of debt service taxes received by the district during the tax year preceding the tax year in which the annexation occurs by the number of students enrolled in the district immediately preceding the date of annexation, and multiplying that result by the number of additional students enrolled in the district on September 1 after the date of annexation. Requires the commissioner to provide additional state aid under this subsection from funds appropriated for purposes of the Foundation School Program and available for that purpose. Provides that the commissioner's determination under this subsection is final and may not be appealed. Deletes existing text requiring that the estimated tax levy from applying the receiving district's current debt service tax rate, if any, to the territory that has been annexed be deducted in determining the amount of annual debt service required.

SECTION 2. Provides that Section 13.054, Education Code, as amended by this Act, applies to a school district to which territory is annexed on or after July 1, 2016.

SECTION 3. Provides that the commissioner is required to implement this Act only if the legislature appropriates money specifically for that purpose. Authorizes the commissioner, if the legislature does not appropriate money specifically for that purpose, but does not require the commissioner, to implement this Act using other appropriations available for the purpose.

SECTION 4. Effective date: upon passage or September 1, 2017.