

FOUNDATION SCHOOL PROGRAM § 16.312

(b) The following schedule constitutes the Texas State Public Education Compensation Plan effective 1971–1972, and thereafter:

SALARY BY STEPS ABOVE BASE

Pay Grade	Base Monthly Salary	1	2	3	4	5	6	7	8	9	10
1	\$ 300	\$ 315	\$ 331	\$ 348	\$ 365	\$ 383	\$ 402	\$ 422	\$ 443	\$ 465	\$ 488
2	360	378	397	417	438	460	483	507	532	559	587
3	450	473	497	522	548	575	604	634	666	699	734
4	480	504	529	555	583	612	643	675	709	744	781
5	540	567	595	625	656	689	723	759	797	837	879
6	570	599	629	660	693	728	764	802	842	884	928
7	600	630	662	695	730	767	805	845	887	931	978
8	660	695	730	767	805	845	887	931	978	1027	1078
9	690	725	761	799	839	881	925	971	1020	1071	1125
10	720	756	794	834	876	920	966	1014	1065	1118	1174
11	750	788	827	868	911	957	1005	1055	1108	1163	1221
12	780	819	860	903	948	995	1045	1097	1152	1210	1270
13	840	882	926	972	1021	1072	1126	1182	1241	1303	1368
14	900	945	992	1042	1094	1149	1206	1266	1329	1395	1465
15	1050	1103	1158	1216	1277	1341	1408	1478	1552	1630	1712
16	1200	1260	1323	1389	1458	1531	1608	1688	1772	1861	1954
17	1350	1418	1489	1563	1641	1723	1809	1899	1994	2094	2199
18	1500	1575	1654	1737	1824	1915	2011	2112	2218	2329	2445

Each individual will move to the step in this schedule immediately above the monthly rate received in 1970–1971 and shall advance thereafter one additional step with each added year of experience until the maximum is attained.

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(c) The position descriptions, required preparation and education, and number of monthly payments authorized for each position under the Texas State Public Education Compensation Plan are as follows:

Pay Grade	No. Mos. Paid	Class Title	Description of Positions Assigned to Class Title	Required Preparation and Education
1	10	Aide I	Assist teacher by duplicating materials; performing clerical operations; supervising students in routine drills or in P.T. drills or lunchroom supervision.	Some high school, community ties.
			Assist in office procedures at file clerk level.	High school graduate.
2	10	Aide II	Assist teacher in class drill exercises, in spotting student problems or problem students; perform functions of Aide I, as needed.	High school graduate.
			Perform stenographic, book-keeping, and other clerical functions.	High school graduate and business college training.
3	10	Aide III	Relieve teacher of most routine drill of students; work in team teaching productively. Perform as an "Assistant Teacher" under direction of qualified teacher.	2 years college or experience equivalent.
			Perform secretarial, high-level receptionist, junior accounting, personnel assistant, campus principal secretary, etc.	2 years college plus business training.
4	10	* Teacher Trainee I	Emergency Permit Teacher without degree, but with personal traits needed to function in the classroom. Teaches students under frequent supervisory check by principal, grade-level or department head.	Minimum 2 years college, normally no less than 3 years college.
5	10	* Teacher Trainee II	Emergency Permit Teacher with college degree but deficiencies in educational preparation in professional or academic background. Teaches students under frequent supervisory check by principal, grade-level or department head.	College degree but certain educational deficiencies.
5	10	* Certified Non-degree Teacher	Teach at grade level or in teaching field for which prepared, under general supervision only.	Fully certified as teacher, but no college degree.

* These positions are presently authorized under the Minimum Foundation Program.

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Pay Grade	No. Mos. Paid	Class Title	Description of Positions Assigned to Class Title	Required Preparation and Education
6	10	* Nurse, R.N.	School nurse <i>without degree</i> .	R.N. (only)
7	10	* Teacher, B.A.	Teach at grade level or in teaching field for which prepared, under general supervision only.	Degree, no deficiency in professional education or in teaching field. Fully certified.
7	10	* Vocational Trades and Industries Teacher	Teach in an approved vocational trades and industries program.	Approved by State Board of Vocational Education.
7	10 11 12	* Vocational Teachers	Teach in approved vocational program.	Bachelor's degree; certified.
7	10	* Librarian I	Supervise school library or function as one of several librarians on a major campus.	Degree; certified.
7	10	* Visiting Teacher I	Works on personal, educational, family, and community problems with children, parents, school personnel, and community agencies.	Degree; certified.
7	10	* Nurse, B.A.	School nurse.	Degree; certified.
8	10	* Teacher, M.A.	Teach at grade level or in teaching field for which prepared, under general supervision only.	Master's degree; fully certified.
8	10 11 12	* Vocational Teacher	Teach in approved vocational program.	Master's degree; certified.
8	10	* Librarian II	Supervise school library or function as one of several librarians on a major campus.	Master's degree; fully certified.
8	10	* Physician	Serve as school physician.	M.D. degree.
8	10	* Visiting Teacher II	Works on personal, educational, family, and community problems with children, parents, school personnel, and community agencies.	Master's degree; certified.

* These positions are presently authorized under the Minimum Foundation Program.

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Pay Grade	No. Mos. Paid	Class Title	Description of Positions Assigned to Class Title	Required Preparation and Education
9	10	Special Duty Teacher	Teach regular load at grade level or in teaching field for which prepared, under general supervision only, and perform special duty as sponsor of major student program; serve as cooperating teacher for student teacher; direct after-hour recreation or "lighted library"; serve as team leader in team teaching; direct band or major music group; serve as coach or assistant coach.	Fully certified as teacher and special training for special duty assignment and holder of master's degree.
10	10	* Counselor I	Provide educational and vocational guidance to students with limited personal guidance.	Fully certified.
10	10	* Supervisor I	Provide consultant services to teachers in a grade level or adjacent grades or in a teaching field or group of related fields.	Fully certified.
10	10	* Instructional Officer I	Serve as part-time principal on campus with 19 or fewer teachers.	Certified as administrator.
10	10	Administrative Officer I	Serve as principal functional assistant to superintendent in system of 5,000 ADA or less.	College degree with major or minor in assignment.
11	10	* Instructional Officer II	Serve as part-time principal on campus with 20 or more teachers.	Certified as administrator.
11	10	Administrative Officer II	Serve as principal functional assistant to superintendent in system of 5,001–12,500 ADA.	Same as Administrative Officer I plus experience in function.
12	10	Teacher Leader	(1) as grade-level head, department head, coordinate work of minimum of five teachers; or (2) as director of learning or resource center provide instructional leadership to minimum of 10 classroom teachers.	Fully certified as teacher; usually would have special training in assignment.
12	11	* Instructional Officer III	Serve as full-time principal on campus with 19 or fewer teachers.	Fully certified as administrator.
12	10	Administrative Officer III	Direct major administrative activity in a system of 12,501–25,000 ADA.	Same as Administrative Officer I plus minimum 2 years' related experience.

* These positions are presently authorized under the Minimum Foundation Program.

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Pay Grade	No. Mos. Paid	Class Title	Description of Positions Assigned to Class Title	Required Preparation and Education
13	11	* Instructional Officer IV	Serve as full-time principal on campus with 20-49 teachers.	Fully certified as administrator.
13	11	Instructional Officer IV	Serve in a system of 12,501-25,000 ADA under an assistant superintendent as key specialist for major instructional program.	Fully certified as administrator or in suitable speciality.
13	12	Administrative Officer IV	Serve in capacity comparable to Instructional Officer IV above.	Same as Administrative Officer I plus 3 years' experience in function.
14	11	* Instructional Officer V	Serve as full-time principal on campus with 50-99 teachers.	Fully certified as administrator.
14	12	* Instructional Officer V	Serve as full-time principal on campus with 100 or more teachers.	Fully certified as administrator.
14	12	* Administrative Officer V	Serve as superintendent of system of 3,000 ADA or less.	Fully certified as administrator.
14	12	Instructional/Administrative Officer V	(1) Serve as assistant superintendent in system of 12,501-25,000 ADA or one of several in larger system; (2) serve in system of 25,001-50,000 ADA to direct (under an assistant superintendent) major instructional function.	Fully certified as administrator or in speciality.
14	12	Administrative Officer V	Serve in administrative capacity of comparable level as above in personnel, business, accounting, planning, research, etc.	Same as Administrative Officer I plus 5 years' related experience.
15	12	* Administrative Officer VI	Serve as superintendent in system of 3,001-5,000 ADA.	Fully certified as administrator.
15	12	Instructional/Administrative Officer VI	Serve as assistant superintendent or high-level director for major program (such as instruction, business manager, personnel director, research, planning) in system of 25,001-50,000 ADA.	Fully certified as administrator or in speciality.
16	12	* Administrative Officer VII	Serve as superintendent in system of 5,001-12,500 ADA.	Fully certified as administrator.
16	12	Instructional/Administrative Officer VII	Serve as assistant superintendent or equivalent status, coordinating group of major functions in system of more than 50,000 ADA.	Fully certified as administrator or in speciality.

* These positions are presently authorized under the Minimum Foundation Program.

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Pay Grade	No. Mos. Paid	Class Title	Description of Positions Assigned to Class Title	Required Preparation and Education
17	12	* Adminis- trative Of- ficer VIII	Serve as superintendent in system of 12,501-50,000 ADA.	Fully certified as ad- ministrator.
18	12	*Adminis- trative Of- ficer IX	Serve as superintendent in system of more than 50,000 ADA.	Fully certified as ad- ministrator.

* These positions are presently authorized under the Minimum Foundation Program.

§ 16.313. Promotions, Demotions, Etc.

The commissioner of education shall develop policies, subject to approval by the State Board of Education, to provide proper salary adjustments for promotions and demotions within grades provided in the compensation schedule, and for moving experienced teachers into the schedule who were not employed in 1969-1970 or 1970-1971.

§ 16.314. Increases in 1974 and 1978

To the salary of each person employed under the Texas Public Education Compensation Schedule as printed in Section 16.312(b) of this code there shall be added \$60 per month effective September 1, 1974, and continuing thereafter. An additional \$66 per month shall be added effective September 1, 1978, and continuing thereafter to each salary provided under the Compensation Schedule as adjusted in 1974.

§ 16.315. Teacher Aides

Effective for the school year 1970-1971 and for each school year thereafter, there shall be provided one teacher aide for each 20 classroom teacher units earned by a school district. For the school year 1970-1971, an aide shall be paid a monthly salary of \$300 and shall receive such salary for 10 months. For 1971-1972 and thereafter, the salary shall conform to the schedule provided for an Aide I in the Texas State Public Education Compensation Plan.

§ 16.316. Certified Teachers Holding Law Degree

Beginning with the school year 1967-1968, any person certified to teach in the public schools of Texas who holds a bachelor of laws or doctor of jurisprudence degree from an accredited law school shall have his minimum salary calculated on the basis of a master's degree.

[Sections 16.317 to 16.44 reserved for expansion]

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SUBCHAPTER E. CURRENT OPERATING COST

§ 16.45. Current Operating Cost

The total current operating cost for each school district, other than professional salaries and transportation, shall be determined by multiplying the number of approved classroom teacher units, exceptional children teacher units, and vocational teacher units by \$660, and grants therefor shall be allotted.

Amended by Acts 1971, 62nd Leg., p. 1507, ch. 405, § 28, eff. May 26, 1971.

[Sections 16.46 to 16.50 reserved for expansion]

SUBCHAPTER F. TRANSPORTATION SERVICES

§ 16.51. Transportation Services

Transportation services shall be provided and allotments therefor shall be determined according to the provisions of this subchapter.

§ 16.52. Public School Transportation System

(a) The county school boards of the several counties of this state, subject to approval by the state commissioner of education, are authorized to establish and operate an economical public school transportation system within their respective counties.

(b) In establishing and operating such transportation systems, the county school boards shall:

- (1) requisition buses and supplies from the state board of control as provided for in this subchapter;
- (2) prior to June 1 of each year, with the commissioner's approval, establish school bus routes within their respective counties for the succeeding school year;
- (3) employ school bus drivers; and
- (4) be responsible for the maintenance and operation of school buses.

§ 16.53. County and District Transportation Funds

(a) State warrants for transportation, payable to the county school transportation fund in each county, shall be for the total amount of transportation funds for which the county is eligible under the provisions of this subchapter.

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(b) When requested by the board of trustees of an independent school district, the county school board shall authorize such independent district to:

- (1) employ its school bus drivers;
- (2) be responsible for the maintenance and operation of its school buses; and
- (3) receive transportation payments directly from the state.

(c) When the county superintendent reports such authorization to the state commissioner of education, state warrants for transportation funds for which the district is eligible shall be made payable to the district transportation fund, which is hereby created.

§ 16.54. Use of Buses for Extracurricular Activities, Etc.

The county school boards and the state commissioner of education shall promulgate regulations in regard to the use of school buses, for other than transporting eligible children to and from school. Under rules and regulations of the State Board of Education, the appropriate district allocation in the county transportation fund, when approved by the county school board, or the district transportation fund, when approved by the board of trustees of the independent school district operating its own transportation system, may be used for school bus transportation of its pupils and necessary personnel on extracurricular activities and field trips sponsored by the respective district.

§ 16.55. Approved School Bus Routes

School buses shall be operated to and from school upon approved school bus routes and no variations shall be made therefrom. The penalty for varying from authorized routes and for unauthorized use of buses shall be the withholding of transportation funds from the offending county or school district. In the event the violation is committed by a district which receives no Foundation School Program Funds, the penalty provisions of Section 4.18 of this code shall be applied.

§ 16.56. Calculation of Allotment

(a) The total annual regular transportation cost allotment for each district or county shall be based upon the rules and formulas of this section.

(b) A typical bus route is defined as being from 45 to 55 miles of daily travel and composed of 60 percent surfaced roads and 40 per-

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cent dirt roads, over which 15 or more pupils who live two or more miles from school are transported.

(c) Allowable total base costs of maintenance, operations, salaries, depreciation, etc., for each bus shall be :

72 capacity bus	\$3,276 per year
60-71 capacity bus	3,156 per year
49-59 capacity bus	3,036 per year
42-48 capacity bus	2,916 per year
30-41 capacity bus	2,796 per year
20-29 capacity bus	2,676 per year
15-19 capacity bus	2,196 per year

(d) The capacity of a bus means the number of eligible children being transported who live two or more miles from school along the approved route served by the bus. A bus that makes two or more routes or serves two or more schools shall be considered as having a capacity equal to the largest number of eligible children on the bus at any one time.

(e) For each one percent increase of dirt road above 40 percent, one-half of one percent shall be added to the allowable total cost.

(f) For each five miles (or major fraction thereof) increase in daily bus travel above 55 miles, one percent shall be added to the total cost of operation. For each five miles (or major fraction thereof) less than 45 miles daily travel, one percent shall be deducted from the total cost of operation.

(g) The state commissioner of education may grant not to exceed \$75 per pupil per year for private or commercial transportation for eligible pupils from isolated areas. The need for this type of transportation grant shall be determined on an individual basis and the amount granted shall not exceed the actual cost. Such grants shall be made only in extreme hardship cases, and no such grants shall be made if the pupils live within two miles of an approved school bus route or city public transportation service.

Subsec. (c) amended by Acts 1971, 62nd Leg., p. 1508, ch. 405, § 30, eff. May 26, 1971.

§ 16.57. Routes and Systems: Evaluation and Approval

(a) All bus routes and transportation systems shall be reviewed by the state commissioner of education and he shall be responsible for establishing criteria for evaluating the several transportation systems of this state, but all such criteria shall be subject to approval by the State Board of Education.

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(b) The commissioner shall evaluate all transportation systems as rapidly as possible.

(c) No new bus routes or extensions shall be approved prior to the survey of the transportation system of the district or county requesting them.

(d) Repealed by Acts 1971, 62nd Leg., p. 1162, ch. 267, § 1, eff. May 19, 1971.

(e) Extension of a city's boundaries for city purposes only, after June 8, 1949, so as to include within the city boundaries part of a school district into which public transportation lines or facilities are then operated shall not affect the district's eligibility for transportation aid. Rather, all such districts shall be entitled to receive transportation aid under the provisions of this chapter, if otherwise qualified, to the same extent as if no part thereof had been annexed by the city and its public transportation lines had not operated therein.

(f) In approving a transportation system for a district or county, consideration shall be given to providing transportation for only those pupils who live two or more miles from the school they attend, but no consideration shall be given to providing transportation for pupils transferred from one district to another when their grades are taught in their home district unless transferred as provided by law and transportation has been approved by the county school board as provided by law.

(g) There shall be no duplication of bus routes and services within sending districts by buses operated by two school districts and/or counties except upon approval by the state commissioner of education.

§ 16.58. Use of Transportation Funds for Other Purposes

No funds paid to the several transportation units for the operation of transportation systems in this state shall be expended for any other purpose.

§ 16.59. Rules of Commissioner

The Commissioner of Education shall formulate rules and regulations, subject to approval by the State Board of Education for enforcing the provisions of this subchapter.

§ 16.60. Appeals

Appeals to the commissioner of education and to the State Board of Education may be had from policy decisions of the county school boards affecting transportation.

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§ 16.61. Purchase of Vehicles

(a) Motor vehicles used for the purpose of transporting school children, including school buses, their chassis and/or bodies purchased through the state board of control, shall be paid for by the state board of control as set out in applicable laws. The Legislature may appropriate out of any money in the state treasury not otherwise appropriated a sum not exceeding \$250,000, or so much thereof as necessary, for the state board of control to be used for such purposes.

(b) Any such sum appropriated shall be known as the school bus revolving fund. When motor vehicles and school buses are delivered to the various schools coming within the provisions of this chapter, the governing bodies of such schools shall reimburse the state board of control for the money expended for such school buses including their chassis and/or bodies and the money shall be deposited by the state board of control in the school bus revolving fund.

§ 16.62. Transportation Allotment for Exceptional Children Program

(a) An annual transportation cost allotment for each district operating an approved exceptional children program shall be computed and paid from the Foundation School Program Fund on a per capita basis as provided by this section.

(b) For physically and/or orthopedically handicapped children, visually handicapped children with conditions making impractical the use of public transportation, deaf children, trainable mentally retarded children, and/or educable mentally retarded children, the transportation allotment shall be \$150 per exceptional child receiving such transportation, providing the district locally determines and certifies subject to the approval of the state commissioner of education that the pupil:

- (1) is unable to utilize existing regular transportation services; and
- (2) would be unable to attend the exceptional children class unless such special transportation is provided.

(c) Allotments granted under this section shall be :

- (1) used only for transportation purposes of children enrolled in a district-operated exceptional children program ;
- (2) deposited in the district's exceptional transportation fund; and
- (3) accounted for separately from regular transportation funds.

Subsec. (b) amended by Acts 1971, 62nd Leg., p. 1494, ch. 405, § 20, eff. May 26, 1971.

§ 16.63**PUBLIC SCHOOLS****§ 16.63. Contract With Public Transportation Company**

(a) As an alternative to maintaining and operating a complete public school transportation system under this subchapter, and if the respective governing board is able to obtain an economically advantageous contract, a county school board for its transportation system or a board of trustees of an independent school district which has been authorized to be responsible for the maintenance and operation of its school buses may contract with public transportation companies for all or any part of its public school transportation.

(b) A contract is economically advantageous if the cost of the service contracted for is less than the projected cost of the same service as otherwise provided in this subchapter.

(c) The state commissioner of education, subject to the approval of the State Board of Education, shall make rules for the administration of this section.

(d) Contracts for public school transportation may include provisions for transporting students to and from approved school activities.

(e) Upon approval of the contract by the State Board of Education, the contract price for the service shall be included in the annual transportation cost allotment for the respective county or district.

[Sections 16.64 to 16.70 reserved for expansion]

SUBCHAPTER G. FINANCING THE PROGRAM**§ 16.71. Financing—General Rule**

The sum of the approved salaries for professional positions, the current operating cost other than professional salaries and transportation, and cost of transportation service of each district, computed and determined in accordance with the provisions of this chapter, shall constitute the total cost of the Foundation School Program, which program shall be financed by:

- (1) an equalized, local school district effort to the extent hereafter provided for the support of this program;
- (2) distribution of the state and county available school funds based on the number of scholastics; and
- (3) allocation to each local district a sum of state money appropriated for the purposes of public school education and sufficient to finance the remaining costs of the Foundation School Program in that district, which sum shall be computed and determined in accordance with the provisions of this subchapter.

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§ 16.711. Committee to Study Financing of Program

(a) There is hereby established a committee to be comprised of 18 members: Six to be appointed by the governor, six by the lieutenant governor, and six by the speaker of the house. Three members appointed by the lieutenant governor shall be members of the senate and three members appointed by the speaker of the house shall be members of the house of representatives. The committee members shall serve from the date of their respective appointments until August 31, 1971. Members of the committee shall serve without compensation but each shall receive reimbursement for actual travel expense when on official business of the committee.

(b) The governor shall call the first meeting of the committee immediately after a majority of the members have accepted appointment and at that time the members shall elect a chairman and a vice chairman from among their number and adopt procedural rules governing membership and committee conduct.

(c) The committee may create advisory committees to perform officially and effectively the duties and responsibilities imposed by this section.

(d) A majority of the committee shall constitute a quorum.

(e) The committee shall have the responsibility of studying the relationship between the state and local school districts in financing the Minimum Foundation Program. They shall examine the structure of the economic index now in operation, ascertaining its weaknesses and its strengths. It shall review the findings of the Governor's Committee on Public School Education and evaluate information available relative to the financing of the Minimum Foundation Program. They shall explore all facets and all possibilities in relation to this problem area and shall recommend to a called session of the legislature or to the 62nd Legislature convening in 1971 a specific formula or formulae to establish a fair and equitable basis for the division of the financial responsibility between the state and the various local school districts of Texas.

(f) There is hereby appropriated from the General Revenue Fund for the fiscal year ending August 31, 1970, the sum of \$25,000 to pay the expenses of the committee. Any unexpended balance of the original appropriation of \$25,000 is hereby reappropriated to carry out the work of the committee during the fiscal year beginning September 1, 1970.

(g) The State Board of Education and the committee shall coordinate their efforts and the State Board of Education shall cooperate with the committee and shall furnish professional, technical, and clerical staff when deemed necessary to implement the work of the

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committee. Every state agency, department, and institution, and every state, county, and school district official is directed to provide such information as may be requested by the committee and to assist the committee in accomplishing its objective.

(h) The committee shall report the results of its studies and make recommendations to the governor and to each member of the legislature not later than August 31, 1970. Because of the serious problem which exists in the financing of the Minimum Foundation Program and of apparent inequities in the allocation of funds to be provided by local school districts, the committee is encouraged to complete its work at the earliest possible date so that a solution might be found to be made applicable to the 1970–1971 school year.

Added by Acts 1971, 62nd Leg., p. 1509, ch. 405, § 33, eff. May 26, 1971.

§ 16.72. Total Amount Chargeable to Districts

(a) The sum of the amounts to be charged for the 1969–1970 school year against the local school districts of the state toward the Foundation School Program shall be \$180,800,000, to which shall be added by the State Board of Education at its July meeting in 1969, 20 percent of the estimated increased cost of the Foundation Program authorized by Acts of the 61st Legislature amending the Foundation School Program.

(b) The sum of the amounts to be charged for the 1970–1971 school year against the local school districts of the state toward the Foundation School Program shall be \$204,900,000, to which shall be added by the State Board of Education at its March meeting in 1970, 20 percent of the estimated increased cost of the Foundation Program authorized by Acts of the 61st Legislature amending the Foundation School Program.

(c) For the 1971–1972 school year, and for each school year thereafter, the sum of the amounts to be charged against the local school districts of the state toward the Foundation School Program shall be 20 percent of the estimated total cost of the Foundation School Program for the immediately preceding school year, plus an amount equal to the difference between the gross local fund assignment and the net local fund assignment for the immediately preceding school year.

Amended by Acts 1971, 62nd Leg., p. 1508, ch. 405, § 31, eff. May 26, 1971.

§ 16.73. Estimate of Total Cost of Program; Local Assignment

At its regular meeting in March, 1971, and at each regular meeting in March thereafter, the State Board of Education, after receiving the

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recommendation of the state commissioner of education, shall estimate the total cost of the Foundation School Program for the then current school year, based upon laws and approved school budgets in effect on the date when such estimate is made. Within 30 days after such estimate has been made, the state commissioner of education, subject to the approval of the State Board of Education, shall assign to each school district, according to its taxpaying ability as determined in this subchapter, its proportionate part of such total to be raised locally for the next school year and applied towards the financing of its Minimum Foundation School Program.

Amended by Acts 1971, 62nd Leg., p. 1509, ch. 405, § 31, eff. May 26, 1971.

§ 16.74. County Economic Index

(a) The state commissioner of education, subject to approval by the State Board of Education shall, not later than the first week in March of each year, calculate an economic index of the financial ability of each county to support the Foundation School Program. This index shall be calculated to approximate each county's percentage of statewide taxpaying ability and shall constitute for the purpose of this subchapter a measure of that county's ability, in relation to that of other counties in the state, to support schools.

(b) The economic index for each county shall be based upon and determined by the following weighted factors:

- (1) assessed property valuation of the county, weighted by twenty;
- (2) scholastic population of the county, weighted by eight; and
- (3) income for the county as measured by value added by manufacture, value of minerals produced, value of agricultural products, payrolls for retail establishments, payrolls for wholesale establishments, and payrolls for service establishments, all weighted collectively by seventy-two.

(c) The commissioner of education, subject to approval by the State Board of Education, shall annually recompute not later than the first week in March, a new economic index using an average of data for a three-year period which shall be taken from the most recently available official publications and reports of state and federal agencies.

§ 16.741. Livestock Sales From Feedlots

(a) In calculating an economic index of the financial ability of each county to support the Foundation School Program pursuant to Section

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16.74 of this code, the commissioner of education shall calculate the value of cattle or other animal sales from feedlots at the net increase in value while in the feedlot.

(b) The “net increase in value in a feedlot” is arrived at by using the latest three years’ average of the Federal Reserve Bank’s interest rate as of January 1 of each year to which is added one and one-half percentage points. This total interest rate percentage figure then multiplied by the average sale value of cattle or other animals from the feedlot, will result in the net increase in value while in a feedlot, and is the figure that shall be used to carry out the purposes of this section.

Added by Acts 1971, 62nd Leg., p. 1494, ch. 405, § 21, eff. May 26, 1971.

§ 16.75. County Assignment

For the school year beginning 1971–1972 and each school year thereafter, the state commissioner of education shall calculate and determine the total sum of local funds that the school districts of a county shall be assigned to contribute toward the total cost of the Foundation School Program by multiplying 20 percent of the estimated Foundation Program cost for the immediately preceding school year, plus an amount equal to the difference between the gross local fund assignment and the net local fund assignment for the immediately preceding school year, as determined under the provisions of this subchapter by the economic index determined for each county. The product shall be regarded as the local funds available in each respective county toward the support of the Foundation School Program and shall be used in calculating the portion of said amount which shall be assigned to each school district in the county.

Amended by Acts 1971, 62nd Leg., p. 1509, ch. 405, § 32, eff. May 26, 1971.

§ 16.76. School District Assignment

(a) The amount of local funds to be charged to each school district and used therein for support of the Foundation School Program shall be calculated and determined by the state commissioner of education as follows: Divide the state and county assessed valuation of all property in the county subject to school district taxation for the next preceding school year into state and county assessed valuation of the district for the next preceding school year, finding the district’s percentage of the county valuation. Multiply the district’s percentage of the county valuation by the amount of funds assigned to all of the districts in the county. The product shall be the amount of local funds

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that the district shall be assigned to raise toward the financing of its Foundation School Program.

(b) In any district containing state university-owned land, state-owned prison land, land in one or more parcels comprising a total area in excess of 7,000 acres used for municipal cooling lakes in the generation of electricity in counties having a population of more than 700,000 according to the last preceding federal census, federal-owned forestry land, federal owned reservoirs, federal-owned recreation areas, federal-owned military reservations, or federal-owned Indian reservations, the amount assigned to a school district shall be reduced in the proportion that the area included in the above named classification bears to the total area of the district. For purposes hereof, state university owned land is defined to mean and include also state owned land located in Brazos County and devoted to the use of Texas A&M University and land owned by East Texas State University in Hunt County and land owned by Pan American University.

(c) No local fund assignment shall be charged to the Boy's Ranch Independent School District in Oldham County, the Bexar County School for Boys Independent School District in Bexar County, or the Bexar County School for Girls Independent School District in Bexar County.

(d) Beginning with the school year 1967-1968, and thereafter, in any school district having three percent or more of its total scholastic population for the preceding school year composed of scholastic residents and transfers of tax-exempt institutions for orphan, dependent, and/or neglected children, the amount assigned to such a district shall be reduced for the current school year by an amount equal to the product of the total average daily attendance of students who were residents and/or transfers of such tax exempt institutions during the preceding school year multiplied by \$151.50. The superintendent of any district desiring to receive such a reduction in assignment and qualifying therefor shall certify to the Central Education Agency, not later than December 1 of each year, the following information:

(1) the total average daily attendance of the school district determined for students residing in the district for the preceding school year;

(2) the average daily attendance for the preceding school year determined for the scholastic residents of the tax exempt institutions for orphan, dependent, and/or neglected children; and

(3) a list showing the name of each such institution scholastic, the total daily attendance earned for such students in the preceding school year, and the name and address of the institution.

(e) If the revenue that would be derived from the legal maximum local maintenance school tax is less than the amount assigned to a

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school district according to its economic index, and if the district's property valuation is not less than the same property's valuation for state and county purposes, the lesser amount shall be assigned to be raised by such school district.

(f) Failure of a school district to collect local maintenance school funds equal to its assigned amount will not make the district ineligible for full state per capita apportionment and full foundation school fund grants, but the assigned amount shall be charged against the district as budgetary receipts whether or not actually collected.

(g) The amount of local funds assigned to a contract district, as provided for in Section 16.11(i) of this code, shall be assigned to the receiving district and all local taxes, except those required for the interest and sinking fund, shall be credited as collected to the receiving school district.

(h) If a district other than a contract district has no school, the amount of local funds assigned to, and local taxes collected from, such district shall be transferred for the current year to the receiving district in which such children attend school. But if its pupils attend schools in more than one receiving district, local fund assignments and local taxes shall be apportioned for the current year between such receiving districts according to the number of transfers to each.

(i) If any school district has a budgetary income, as provided above in Section 16.71(1) and (2) of this code, in excess of the amount needed to operate a minimum Foundation School Program and transfers pupils to another district, it shall pay to the receiving district a proportionate part of such excess, based upon the ratio of the number transferred to its enumerated scholastic population, and this excess portion shall be charged to such receiving district.

(j) The sum of the amounts assigned to the several parts of a county-line school district shall be the amount assigned to be raised by such district for financing its Foundation School Program.

Subsec. (b) amended by Acts 1971, 62nd Leg., p. 1494, ch. 405, § 22, eff. May 26, 1971; Acts 1971, 62nd Leg., p. 2408, ch. 758, § 1, eff. June 8, 1971. Subsec. (d) amended by Acts 1971, 62nd Leg., p. 1494, ch. 405, § 23, eff. May 26, 1971.

§ 16.77. Notification of Local Fund Assignment

(a) The county tax assessor-collector in each county, in addition to his other duties prescribed by law, shall certify to the state commissioner of education, not later than December 1 of each year, the following information:

(1) the assessed valuation, on a state and county valuation basis, of all property subject to school district taxation in each

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school district, or portion of a school district in such county, and the total assessed valuation of all property subject to school district taxation in the county;

(2) the total area of each school district; and

(3) the area within each school district comprised of state university-owned land, state-owned prison land, federal-owned forestry land, federal-owned reservoirs, federal-owned recreation areas, federal-owned military reservations, and/or federal-owned Indian reservation.

(b) Should any county tax assessor collector fail to submit such certificates to the state commissioner of education, the state comptroller of public accounts is directed to do so, estimating when necessary.

(c) As soon after the receipt of such certificates as practicable, and prior to setting the respective tax rates for the school districts of the county, the state commissioner of education shall notify each school district of the amount of local funds that such district is assigned to raise for the succeeding school year.

(d) If there has been a marked increase or decrease in the assessed valuation of a school district within a county, and if the county school board, after certifying that the use of the preceding year's county and school district valuations for determining local fund assignments would be inequitable, recommends a different distribution of the county total than that made by the state commissioner of education, then such recommendations, subject to the commissioner's approval, shall become and be the lawful local fund assignments for such district.

Subsec. (a) amended by Acts 1971, 62nd Leg., p. 1495, ch. 405, § 24, eff. May 26, 1971.

§ 16.78. **Excess of Local Funds Over Amount Assigned**

Any local maintenance funds in excess of the amount assigned to a district may be expended for any lawful school purpose or carried over into the next school year.

§ 16.79. **Administration of Foundation School Program**

(a) It shall be the duty of the State Board of Education, State Board for Vocational Education, and the state commissioner of education to take such action, require such reports, and make such rules and regulations consistent with the terms of this chapter as may be necessary to carry out its provisions.

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(b) The state commissioner of education shall determine annually:

(1) the amount of money necessary to operate a Foundation School Program in each school district;

(2) the amount of local funds to be assigned and charged to each school district; and

(3) the per capita apportionment from state and county available school funds available to each school district.

(c) The commissioner of education shall then grant to each school district from the foundation school fund appropriation the amount of funds necessary to provide the difference between subdivision (1) and the sum of subdivisions (2) and (3) of Subsection (b) of this section.

(d) The commissioner shall approve warrants to each school district equaling the amount of its grant. Warrants for all money expended according to the provisions of this chapter shall be approved and transmitted to treasurers or depositories of school districts in the same manner as warrants for state apportionment are now transmitted.

§ 16.80. Dormant School Districts

(a) The county school boards of all counties of the state are authorized and required to consolidate by order of said board each dormant school district within the county with an adjoining district or districts.

(b) The term “dormant school district” means any school district that fails for any two successive years to operate a school in the district.

(c) The governing board of the district with which a dormant school district is consolidated shall continue to be the governing board for the new district.

(d) In each case, the consolidation order of the county school board shall define by legal boundary description the territory of the new district as so enlarged and shall be recorded in the minutes of the county school board as provided by law.

(e) Elections shall be held when required by law in such consolidated districts for the assumption of outstanding bonds, if any, for the levying of taxes therefor, and for the levying of a local maintenance tax.

(f) If a county-line district is or becomes dormant, the consolidation provisions of this section shall apply to all counties affected to the extent of territory in each.

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§ 16.81. Territory Not in School District

(a) All property subject to school district taxation in the state must be included within the limits of a school district and a proper and proportionate tax paid thereon for school purposes. Therefore, at any time it may be determined there is territory located in a county but not within the described limits of a school district, the county school board is authorized and required to add such territory to an adjoining district or districts.

(b) In each case, the order of consolidation shall define by legal boundary description the territory of the new district and shall be recorded in the minutes of the county school board as provided by law.

(c) Elections shall be held as provided by law in such new districts for the assumption of outstanding bonds, if any, for the levying of taxes therefor, and for the levying of a local maintenance tax.

§ 16.82. Cumulative Effect

The provisions of Section 1680 and 16.81 of this code shall not be construed to repeal, supercede or limit any existing law providing other methods for school district consolidation and annexation.

§ 16.83. Falsification of Records, Report

(a) When, in the opinion of the director of school audits of the Central Education Agency, audits or reviews of accounting, enrollment, or other records of a school district reveal deliberate falsification of such records, or violation of the provisions of this chapter, whereby the district's share of state funds allocated under authority of this chapter would be, or has been, illegally increased, said director shall promptly and fully report such fact direct to the State Board of Education and to the state auditor.

(b) In the event of overallocation of such funds, as determined by the State Board of Education or the state auditor by reference to the director's report, the Central Education Agency shall, by withholding from subsequent allocations of state funds, recover from such district an amount, or amounts, equal to the overallocation.

[Sections 16.84 to 16.860 reserved for expansion]

§ 16.861**PUBLIC SCHOOLS****SUBCHAPTER G-1. FOUR-QUARTER SCHOOL YEAR**

Subchapter G-1 consisting of §§ 16.861 to 16.864 was added by Acts 1971, 62nd Leg., p. 2054, ch. 632, § 1, effective August 30, 1971.

§ 16.861. Transition to Four-Quarter System; Curriculum Revision

The Central Education Agency shall prepare a reorganized curriculum based on operation of the schools on a quarter basis. The revision shall be so structured that the material covered during the present school year of two semesters is covered in three three-month quarters. The agency shall distribute this restructured curriculum to each school district in the state in sufficient time so that the new curriculum can be put into operation beginning with the 1972-1973 school year.

§ 16.862. Operation on Quarter Basis

Beginning with the 1972-1973 school year, each school district in this state may operate on the basis of a quarter system, and beginning with the 1973-1974 school year, each school district in this state shall operate on the basis of a quarter system, with the schools being in operation during at least three quarters during each school year, providing 180 days of instruction for students and 10 days of inservice education for teachers.

§ 16.863. Foundation School Program Credit

Each school district shall receive average daily attendance credit under the Foundation School Program for attendance by a student for any three quarters during any one school year.

§ 16.864. Four-Quarter Operation Authorized

(a) A school district may choose to operate all or some of its schools for all four quarters of the school year. This choice shall be approved or disapproved by the district school board in a regularly scheduled open meeting. If a district so chooses, no credit for average daily attendance under the Foundation School Program may be given to the district for attendance by any one student for more than three quarters during any one school year. Attendance by a student for his fourth quarter must be financed either by the student on a tuition basis or by the district from its own funds, at the option of the district.

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(b) A district operating during all four quarters of the school year shall decide which students are to attend school during which quarters. However, schedules shall be so arranged that all members of a family attending the schools of a district may attend the same three quarters.

(c) A district operating during all four quarters of the school year may not require a teacher to teach more than three quarters plus the number of days provided by law for inservice education and preparation during any one school year. A teacher or other school employee under the Minimum Foundation Program who elects to work four quarters during a school year shall receive a minimum salary which is increased proportionately in compliance with the state compensation plan.

(d) A district operating during all four quarters of the school year may not require a student to attend more than three quarters.

[Sections 16.865 to 16.90 reserved for expansion]

SUBCHAPTER H. QUARTERLY SEMESTER PILOT PROGRAMS

Repeal

Acts 1971, 62nd Leg., p. 2054, ch. 632, § 2, provides that effective September 1, 1972, Subchapter H (§§ 16.91 to 16.95) is repealed.

§ 16.91. **Pilot Program**

For purpose of exploring the feasibility of operating quarterly semester pilot programs, public school districts of this state are hereby authorized to operate (in lieu of the usual nine-month program) a twelve-month school year program and to receive allocation of state aid toward financing the extended three-month operation from the Foundation Program Fund, determined in the manner prescribed in this subchapter. Provided, however, that the district shall operate such twelve-month program under its proposed plan submitted to the Central Education Agency and subject to approval of the agency as meeting policy and regulations established and adopted by the State Board of Education applicable thereto.

§ 16.92. **Limitation**

Quarterly semester pilot programs, annually approvable under this subchapter, shall be restricted in number to involve a maximum of 10 programs not to exceed 100,000 pupils, based on average daily attend-

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ance in the preceding school year, and the attendance of eligible pupils shall be restricted to three quarterly semesters.

§ 16.93. Cost Basis

The cost of operating such approved quarterly semester pilot programs shall be borne by the state and each participating district on the same percentage basis that applies to financing the Foundation School Program Act within the respective district.

§ 16.94. Calculation of Costs

For purpose of computing authorized state aid and allocations under this subchapter, the cost of the program shall be ascertained as follows:

(1) The district's average daily attendance for classroom teacher unit eligibility and allocations shall be determined on a quarter semester basis, limiting eligible pupil attendance to three quarters within each scholastic year. Eligibility for special service teachers, supervisors and/or counselors, head teachers, part-time principals, and full-time principals shall be determined by dividing the total aggregate days of attendance in the pilot program by the number of days that instruction is offered during three semesters, determined to the best advantage of the district.

(2) An additional three-month salary adjustment, based on the state minimum salary schedule, shall be added for classroom teacher units occasioned by a twelve-month operation. Provided further that the number of months and salary, based on the state minimum salary schedule, for eligible special service teachers, supervisors and/or counselors, head teachers, part-time principals and full-time principals shall be allowed for 12 months.

(3) The total current operating costs of each pilot program as herein described, other than professional salaries and transportation, shall be determined by multiplying the number of classroom teacher units and exceptional teacher units times the number of months employed times \$67.

(4) An additional transportation allotment shall be added not to exceed the amount of one-third of the transportation allotment as normally computed for a nine-month operation.

§ 16.95. State's Share of Cost

The state's share of the cost shall be paid from the Minimum Foundation Program Fund, and this cost shall be considered by the Foun-

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Foundation Program Committee in estimating the funds needed for Foundation School Program purposes.

[Sections 16.96 to 16.970 reserved for expansion]

SUBCHAPTER H-1. THREE-SEMESTER PILOT PROGRAMS

Subchapter H-1 consisting of §§ 16.971 to 16.975 was added by Acts 1971, 62nd Leg., p. 1449, ch. 405, § 25, effective May 26, 1971. See, also the italicized note preceding § 16.01 of this chapter.

§ 16.971. Pilot Program

For the purpose of exploring the feasibility of operating three-semester pilot programs, public school districts of this state are hereby authorized to operate (in lieu of the usual 9-month program) a 12-month school year program and to receive allocation of state aid toward financing the additional 3-month operation from the Foundation Program Fund, determined in the manner prescribed in this subchapter. Provided, however, that the district shall operate such 12-month program under its proposed plan submitted to the Central Education Agency, and subject to approval of the agency as meeting policy and regulations established and adopted by the State Board of Education applicable thereto.

§ 16.972. Limitation

(a) Three-semester pilot programs, annually approvable under this subchapter, shall be restricted in number to involve a maximum of 10 programs not to exceed 100,000 pupils, based on average daily attendance in the preceding school year, and the attendance of eligible pupils shall be restricted to two semesters out of the three-semester program.

(b) For purposes only of this pilot program, any child otherwise eligible who becomes six years of age after September 1 may be admitted to public school in any following semester beginning after he has reached six years of age, and such attendance shall be counted as eligible attendance for allocation purposes of the Foundation School Program Fund.

§ 16.973. Cost Basis

The cost of operating such approved three-semester pilot programs shall be borne by the state and each participating district on the same percentage basis that applies to financing the Foundation School Program within the respective district.

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§ 16.974. Calculation of Costs

For purpose of computing authorized state aid and allocations under this subchapter, the cost of the program shall be ascertained as follows:

(1) The district's average daily attendance for classroom teacher unit eligibility and allocations shall be determined on a three-semester basis, limiting eligible pupil attendance to two semesters within each scholastic year. Eligibility for special service teachers, supervisors and/or counselors, head teachers, part-time principals, and full-time principals shall be determined by dividing the total aggregate days of attendance in the pilot program by the number of days that instruction is offered during two semesters, determined to the best advantage of the district.

(2) An additional salary adjustment, based on the state minimum salary schedule, shall be added for classroom teacher units occasioned by a 12-month operation. Provided further that the number of months and salary, based on the state minimum salary schedule, for eligible special service teachers, supervisors and/or counselors, head teachers, part-time principals, and full-time principals shall be allowed for 12 months.

(3) The total current operating costs of each pilot program as herein described, other than professional salaries and transportation, shall be determined by multiplying the number of classroom teacher units and exceptional teacher units times the number of months employed times \$67.

(4) An additional transportation allotment shall be added not to exceed the amount of one-third of the transportation allotment as normally computed for a nine-month operation.

§ 16.975. State's Share of Cost

The state's share of the cost shall be paid from the Minimum Foundation Program Fund, and this cost shall be considered by the Foundation Program Committee in estimating the funds needed for Foundation School Program purposes.

[Sections 16.976 to 16.979 reserved for expansion]

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**SUBCHAPTER I. SUPPLEMENTAL STATE SALARY
AID TO SCHOOL DISTRICTS**

§ 16.98. Supplemental State Salary Aid

(a) Established hereby is a program to provide supplemental state salary aid to public free school districts in addition to funds provided under any other provision of the laws or constitution of this state. Purpose of this supplementary aid program: To encourage higher salaries for classroom teachers as defined herein, of grades one through twelve.

(b) "Classroom teacher" for purposes of this program shall mean any professionally qualified teacher employed full time by a school district and spending at least one-half of his working time in actual instruction of pupils in regularly organized and scheduled classes, vocational and exceptional teachers included.

(c) Entitlement of each district for supplemental state aid authorized herein shall be determined by adding the number of classroom, vocational and exceptional teacher units allocated only to districts eligible under those provisions of foundation school program described under Sections 16.13, 16.14 and 16.16 of this code, and multiplying the sum of all such classroom teachers as herein defined by \$50.

(d) A school district may establish eligibility to receive funds to the amount determined under Subsection (c) of this section by submitting to the Central Education Agency a plan which shall meet the following conditions:

(1) State funds to be utilized as salary from amount determined under Subsection (c) of this section shall constitute not more than the same percentage of the total amount disbursed as supplemental salary to classroom teachers as the state share of the foundation school program in each participating school district; and

(2) All funds received as supplemental salary aid shall be paid as supplemental salary to persons who qualify as classroom teachers and of districts as defined in above Subsections (b) and (c) of this section; and

(3) Supplemental salary paid to any such classroom teacher shall be in addition to the salary to which such teacher is entitled under the regularly established salary policy of the school district; and

(4) Not less than ten percent of such classroom teachers employed by the school district shall participate in the state-aid supplemental salary funds disbursed to any district, and no class-

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room teacher shall receive less than \$100 or in excess of \$1000 in any school year.

(e) On or before its first meeting day of each fiscal year, the State Board of Education shall certify to the comptroller of public accounts the amount of money required to meet the provisions of this salary aid program. Upon receipt of the certification or as soon thereafter as possible, the comptroller shall cause to be set aside from funds collected or to be collected and credited to the general revenue fund a sum sufficient to meet such certification, and such sum(s) as so certified are hereby appropriated therefor. Any funds remaining unexpended and unencumbered in this salary program account on the last working day of each fiscal year shall be credited to the general revenue fund.

CHAPTER 20. SCHOOL DISTRICT FUNDS

SUBCHAPTER A. SCHOOL DISTRICT TAX BONDS AND MAINTENANCE TAXES

Section

- 20.01. Bonds and Bond Taxes.
- 20.02. Maintenance Taxes.
- 20.03. Assessment of Property.
- 20.04. Bond and Tax Elections.
- 20.05. Refunding Bonds.
- 20.06. Examination of Bonds by the Attorney General.
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- 20.08. Previously Voted Bonds and Taxes.

[Sections 20.09 to 20.20 reserved for expansion]

SUBCHAPTER B. SCHOOL DISTRICT REVENUE BONDS

- 20.21. Gymnasia, Stadia, and Other Recreational Facilities.
- 20.22. Revenue Bonds.
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- 20.41. Proceeds; Use for Water, Sewer and Gas Connections.
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Buildings; Purchase of Sites; Election.
- 20.47. Additional Tax for Construction, Repair and Equipment of Schools
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- 20.48. Authorized Expenditures.
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Technical Schools.
- 20.49. Borrowing Money for Current Maintenance Expenses.
- 20.50. Contracts for Athletic Facilities.

§ 20.01**PUBLIC SCHOOLS****SUBCHAPTER A. SCHOOL DISTRICT TAX BONDS AND
MAINTENANCE TAXES****Section 20.01. Bonds and Bond Taxes**

The governing board of each independent school district (including, as to each municipally controlled independent school district, the city council or commission which has jurisdiction thereof), and the governing board of each rural high school district, and the commissioners court of every county, for and on behalf of each common school district under its jurisdiction, shall be authorized to issue negotiable coupon bonds for the construction and equipment of school buildings in the district and the purchase of the necessary sites therefor, and to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes sufficient to pay the principal of and interest on said bonds as the same come due, subject to the provisions and restrictions of Section 20.04 of this code. Such bonds may be issued in various series or issues, and shall mature serially or otherwise not more than 40 years from their date, and shall bear interest at such rate or rates as shall be determined within the discretion of such governing board or commissioners court. Said bonds, and the interest coupons appertaining thereto, shall be negotiable instruments, and they may be made redeemable prior to maturity, and may be issued in such form, denominations, and manner, and under such terms, conditions, and details, and shall be signed and executed, as provided by such governing board or commissioners court in the resolution or order authorizing the issuance of said bonds. All bonds shall be sold to the highest bidder for not less than their par value and accrued interest.

§ 20.02. Maintenance Taxes

The governing board of each independent school district (including, as to each municipally controlled independent school district, the city council or commission which has jurisdiction thereof), and the governing board of each rural high school district, and the commissioners court of every county, for and on behalf of each common school district under its jurisdiction, shall be authorized to levy, and cause to be assessed and collected, annual ad valorem taxes for the further maintenance of public free schools in the district, subject to the provisions and restrictions of Section 20.04 of this code.

§ 20.03. Assessment of Property

In common school districts the value of taxable property shall be assessed on the same basis as that used for state and county purposes;

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but in all other school districts such value may be assessed on any basis authorized or permitted by any applicable law.

§ 20.04. Bond and Tax Elections

(a) No such bonds shall be issued and none of the aforesaid taxes shall be levied unless authorized by a majority of the resident, qualified electors of the district, who own taxable property therein and who have duly rendered the same for taxation, voting at an election held for such purpose, at the expense of the district, in accordance with the Texas Election Code, except as hereinafter provided. Each such election shall be called by resolution or order of such governing board or commissioners court, which shall set forth the date of the election, the proposition or propositions to be submitted and voted on, the polling place or places, and any other matters deemed necessary or advisable by such governing board or commissioners court.

(b) In each proposition submitted to authorize the issuance of bonds there shall be included the question of whether the governing board or commissioners court shall be authorized to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes, on all taxable property in the district, either—

(1) sufficient, without limit as to rate or amount, to pay the principal of and interest on said bonds; or

(2) sufficient to pay the principal of and interest on said bonds, provided that the annual aggregate bond taxes in the district shall never be more than the rate (not to exceed \$1 on the \$100 valuation of taxable property in the district) stated in said proposition.

(c) If bonds are ever voted in a district pursuant to Subsection (b)(1) of this section, then all bonds thereafter proposed shall be submitted pursuant to that subsection, and Subsection (b)(2) of this section shall not be applicable to such district. No bonds shall be issued pursuant to Subsection (b)(1) of this section if the aggregate principal amount of tax bond indebtedness of the district after such issuance would be in excess of 10 percent of the assessed valuation of taxable property in the district according to the then last completed and approved ad valorem tax rolls of the district.

(d) In each proposition submitted to authorize the levy of maintenance taxes there shall be included the question of whether the governing board or commissioners court shall be authorized to levy, and cause to be assessed and collected, annual ad valorem taxes, for the further maintenance of public free schools, of not to exceed the rate (which shall be not more than \$1.50 on the \$100 valuation of taxable property in the district) stated in said proposition.

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(e) Notice of each such election shall be given by publishing a substantial copy of the election resolution or order one time, at least 10 days prior to the date set for the election, in a newspaper of general circulation in the district. Such governing board or commissioners court shall canvass the returns and declare the results of such elections.

§ 20.05. Refunding Bonds

Each such governing board or commissioners court shall be authorized to refund or refinance all or any part of any of the district's outstanding bonds and matured but unpaid interest coupons payable from ad valorem taxes by the issuance of negotiable, coupon, refunding bonds payable from ad valorem taxes. Said refunding bonds shall mature serially or otherwise not more than forty years from their date, and shall bear interest at such rate or rates, as shall be determined within the discretion of such governing board or commissioners court. Said refunding bonds may be issued without an election in connection therewith, provided that in no event shall any series or issue of refunding bonds be issued in a principal amount greater than the face or par value of the obligations being refunded thereby, and provided that if a maximum interest rate was voted for the bonds being refunded, the refunding bonds shall not bear interest at a rate higher than such voted maximum rate, and provided further that refunding bonds shall be payable from taxes of the same nature as those pledged to the payment of the obligations being refunded thereby. Said refunding bonds, and the interest coupons appurtenant thereto, shall be negotiable instruments and they may be made redeemable prior to maturity, and may be issued in such form, denomination, and manner, and under such terms, conditions and details, and shall be signed and executed, as provided by the governing board or the commissioners court in the resolution or order authorizing the issuance of said refunding bonds. The refunding bonds shall be issued and delivered in lieu of, and upon surrender to the comptroller of public accounts of Texas and cancellation of, the obligations being refunded thereby, and the comptroller of public accounts shall register the refunding bonds and deliver the same in accordance with the provisions of the resolution or order authorizing the refunding bonds. Such refunding may be accomplished in one or in several installment deliveries. Said refunding bonds also may be issued and delivered in accordance with the provisions of and procedures authorized by any other applicable law.

§ 20.06. Examination of Bonds by the Attorney General

All bonds issued pursuant to this subchapter, and the appropriate proceedings authorizing their issuance, shall be submitted to the at-

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torney general of Texas for examination. If he finds that such bonds have been authorized in accordance with law he shall approve them, and thereupon they shall be registered by the comptroller of public accounts of the State of Texas; and after such approval and registration such bonds shall be incontestable in any court, or other forum, for any reason, and shall be valid and binding obligations in accordance with their terms for all purposes.

§ 20.07. Bonds are Legal Investments

All bonds issued pursuant to this subchapter shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, small business investment corporations, insurance companies of all kinds and types, fiduciaries, trustees, and guardians, and for all interest and sinking funds and other public funds of the State of Texas and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies and bodies politic. Said bonds also shall be eligible and lawful security for all deposits of public funds of the State of Texas and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of said bonds, when accompanied by any unmatured interest coupons appurtenant thereto.

§ 20.08. Previously Voted Bonds and Taxes

All tax bonds voted in any school district in accordance with law but unissued at the effective date of this code may be issued in the manner provided by the law in effect at the time such bonds were voted, or issued in the manner provided in this subchapter, to the extent pertinent and applicable, without an additional election; and all maintenance taxes heretofore voted in any school district in accordance with law may be levied and collected in the manner provided by the law in effect at the time such bonds were voted, or issued in the manner provided in this subchapter, to the extent pertinent and applicable, without an additional election.

[Sections 20.09 to 20.20 reserved for expansion]

SUBCHAPTER B. SCHOOL DISTRICT REVENUE BONDS

§ 20.21. Gymnasias, Stadia, and Other Recreational Facilities

The governing board of each independent school district (including, as to each municipally controlled independent school district, the city

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council or commission which has jurisdiction thereof) and the governing board of each rural high school district, and the commissioners court of every county, for and on behalf of each common school district under its jurisdiction, shall be authorized and have the power to acquire, purchase, construct, improve, enlarge, equip, operate, and maintain gymnasia, stadia, or other recreational facilities for and on behalf of its district, and such facilities may be located within or without the district.

§ 20.22. Revenue Bonds

For the purpose of providing funds to acquire, purchase, construct, improve, enlarge, and/or equip gymnasia, stadia, or other recreational facilities, such board or commissioners court shall be authorized to issue its revenue bonds to be payable from and secured by liens on and pledges of all or any part of any of the revenues from any rentals, rates, charges, or other revenues from any or all of such facilities, in the manner hereinafter provided. Said bonds may be additionally secured by mortgages and deeds of trust on any real property on which any of said facilities are or will be located, or any real or personal property incident or appurtenant to said facilities, and the board or the commissioners court may authorize the execution and delivery of trust indentures, mortgages, deeds of trust or other forms of encumbrances to evidence same. Said bonds may be issued to mature serially or otherwise not to exceed 50 years from their date. In the authorization of any such bonds, each board or the commissioners court may provide for the subsequent issuance of additional parity bonds, or subordinate lien bonds, or other types of bonds, under such terms or conditions as may be set forth in the resolution or order authorizing the issuance of said bonds, all within the discretion of the board or commissioners court. Said bonds, and any interest coupons appertaining thereto, shall be negotiable instruments (provided that such bonds may be issued registrable as to principal alone or as to both principal and interest), and shall be executed, and may be made redeemable prior to maturity, and may be issued in such form, denominations, and manner, and under such terms, conditions, and details, and may be sold in such manner, at such price, and under such terms, and said bonds shall bear interest at such rates, as shall be determined and provided by the board or commissioners court in the resolution or order authorizing the issuance of said bonds. If so permitted in the bond resolution or order, any required part of the proceeds from the sale of the bonds may be used for paying interest thereon during the period of the construction of any facilities to be provided through the issuance of said bonds, and for the payment of operation and maintenance expenses of said facilities to

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the extent, and for the period of time, specified in said bond resolution, and also for the creation of reserves for the payment of the principal of and interest on the bonds; and such moneys may be invested, until needed, to the extent, and in the manner provided, in said bond resolution or order.

§ 20.23. Rentals, Rates, and Charges

The board or commissioners court shall be authorized to fix and collect rentals, rates, and charges, from students and others for the occupancy or use of any of said facilities, in such amounts and in such manner as may be determined by such board or commissioners court.

§ 20.24. Pledge of Revenues

The board or commissioners court shall be authorized to pledge all or any part of any of its revenues from the aforesaid facilities to the payment of any bonds issued hereunder, including the payment of principal, interest, and any other amounts required or permitted in connection with said bonds. When any of the revenues from said facilities are pledged to the payment of bonds, the rentals, rates and charges for the occupancy or use thereof shall be fixed and collected in such amounts as will be at least sufficient to provide for all payments of principal, interest, and any other amounts required in connection with said bonds, and, to the extent required by the resolution or order authorizing the issuance of said bonds, to provide for the payment of operation, maintenance, and other expenses.

§ 20.25. Refunding Bonds

Any revenue bonds issued by any such board or commissioners court under this subchapter, and any revenue bonds issued by any such board or commissioners court under any other Texas statute and payable from revenues from any such facilities may be refunded or otherwise refinanced by such governing board or commissioners court, and in such case all pertinent and appropriate provisions of this subchapter shall be fully applicable to such refunding bonds. In refunding or otherwise refinancing any such bonds the board or commissioners court may, in the same authorizing proceedings, refund or refinance bonds issued pursuant to this code and bonds issued pursuant to any other such Texas statute and combine all said refunding bonds and any other additional new bonds to be issued pursuant hereto into one or more issues or series of bonds, and may provide for the subsequent issuance of additional parity bonds, or subordinate lien bonds, or other type of bonds. All refunding bonds shall be is-

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sued and delivered under such terms and conditions as may be set forth in the authorizing proceedings.

§ 20.26. Examination of Bonds by the Attorney General

All bonds issued pursuant to this subchapter, and the appropriate proceedings authorizing their issuance, shall be submitted to the attorney general of Texas for examination. If he finds that such bonds have been authorized in accordance with law he shall approve them, and thereupon they shall be registered by the comptroller of public accounts of Texas; and after such approval and registration such bonds shall be incontestable in any court, or other forum, for any reason, and shall be valid and binding obligations in accordance with their terms for all purposes.

§ 20.27. Bonds Eligible as Investments and Security

All bonds issued pursuant to this subchapter shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, small business investment corporations, insurance companies of all kinds and types, fiduciaries, trustees, and guardians, and for all interest and sinking funds and other public funds of Texas and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies and bodies politic. Said bonds also shall be eligible and lawful security for all deposits of public funds of Texas and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of said bonds, when accompanied by any unmatured interest coupons appurtenant thereto.

[Sections 20.28 to 20.40 reserved for expansion]

SUBCHAPTER C. MISCELLANEOUS PROVISIONS

For provisions enacted in 1971 without reference to the Education Code, but related to the subject matter of this subchapter, see Article 2784g-2, Civil Statutes, set out in Appendix at the end of the Code in this Pamphlet.

§ 20.41. Proceeds; Use for Water, Sewer or Gas Connections

Whenever bonds are hereafter voted and issued by school districts for the statutory purpose of construction and equipment of school buildings in the district and the purchase of the necessary sites there-

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for, the bond proceeds may be used, among other things, to pay the cost of acquiring, laying, and installing pipes or lines to connect with the water, sewer, or gas lines of an incorporated city or town, including home rule cities, or other municipal corporation, or private utility company (whether or not the water, sewer, or gas lines of such city, town, or other municipal corporation adjoin the school site or sites), so that the school district may afford its public free school buildings of the water, sewer, or gas services offered by such city, town, or other municipal corporation, or private utility company.

§ 20.42. Investment of Bond Proceeds in Obligations of United States; Interest Bearing Secured Time Bank Deposits

From and after the effective date of this code, any school district within the state which has or may have on hand any sums of money which are proceeds received from the issue and sale of bonds of any such school district, either before or after the effective date of this code, which proceeds are not immediately needed for the purposes for which such bonds were issued and sold, may, upon order of the board of trustees of such school district, place the proceeds of such bonds on interest bearing time deposit, secured in the manner provided in Section 23.63 of this code, with a state or national banking corporation within this state, or invest the proceeds of such bonds in bonds of the United States of America or in other obligations of the United States of America, as may be determined by the board of trustees of the school district; but such interest bearing secured time deposits or bonds or other obligations of the United States of America shall be of a type which cannot be cashed, sold or redeemed for an amount less than the sum deposited or invested therein by such school district; and when such sums so placed or so invested by a school district are needed for the purposes for which the bonds of the school district were originally authorized, issued and sold, such time deposits or bonds or other obligations of the United States of America in which such sums have been placed or invested shall be cashed, sold or redeemed and the proceeds thereof shall be used for the purposes for which the bonds of the school district were originally authorized, issued and sold.

§ 20.43. Interest Bearing Time Warrants

(a) Any school district in the State of Texas in need of funds to repair or renovate school buildings; purchase school buildings and school equipment; to equip school properties with necessary heating, water, sanitation, lunchroom and electric facilities; or is in need of funds with which to employ an individual firm or corporation deemed

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to have special skill and experience to compile taxation data for use by its board of equalization; and said school district is financially unable out of available funds to make such repairs, renovations of school buildings, purchase school buildings, purchase school equipment, to equip school properties with necessary heating, water, sanitation, lunchroom or electric facilities or is unable to pay such individual or corporation for the performance of the professional duties hereinabove mentioned, may, subject to the provisions hereof, issue interest-bearing time warrants, in amounts sufficient to make such purchase and improvements, to pay all or part of the compensation of such individual, firm or corporation to compile such data, any law to the contrary notwithstanding. Such warrants shall mature in serial installments of not more than five years from their date of issue, and to bear interest at a rate not to exceed six percent per annum. Such warrants shall upon maturity be payable out of any available funds of such school district in the order of their maturity dates. Any such interest-bearing time warrants so issued may be issued and sold by such district for not less than their face value, and the proceeds thereof used to provide funds required for the purpose for which they are issued. Such warrants shall be entitled to first and prior payment out of any available funds of such district as they become due. Included in such purposes is the payment of any amounts owed by said school districts, which indebtedness was incurred in carrying out any of such purposes.

(b) No such interest-bearing time warrants shall be issued or sold by a common school district, rural high school district, or an independent school district of less than 150 scholastics until the same shall have been approved by the county board of school trustees; and said board shall, upon application of such school district, inquire into the financial conditions and needs of such district, and shall not approve the issuance of such interest-bearing time warrants unless in its opinion said district is in need of such repair and renovation of school building, and school equipment and to equip school properties with necessary heating, water, sanitation, lunchroom and electric facilities, and will be able with the resources in prospect to liquidate said warrants at their maturity.

(c) No school district in the State of Texas shall issue such interest-bearing time warrants in excess of two percent of the assessed valuation of the district, for the year in which such interest-bearing time warrants are issued; nor shall the payment of such interest-bearing time warrants in any one year exceed the anticipated surplus income of the district for the year in which the warrants are issued. Based on the budget of the district for said year, such anticipated income to be computed by taking the entire expected income of such

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school district from every source for the year in which such interest-bearing time warrants are issued, less teachers' salaries, bus aid included in the foundation fund, and that part of the local maintenance tax earmarked for salaries and known in the Gilmer-Aiken Law as the economic index or fund assignment. The anticipated income computation as herein defined shall be exclusive of all bond taxes. No school district shall have outstanding at any one time warrants totaling in excess of \$60,000 under the provisions of this section.

(d) In every instance wherein interest-bearing time warrants or other evidence of indebtedness have been issued by school districts within the State of Texas for any of the purposes herein provided for, the act of the board of trustees, and/or governing board of such district in issuing such interest-bearing time warrants are each and all thereby expressly validated. The indebtedness thus attempted to be created by such action is hereby declared to be the indebtedness of such district and shall be paid out of available funds as herein provided.

(e) Whenever any such interest-bearing time warrants have been issued under this section, and so long as any of them may be outstanding the officer in charge of the collection of delinquent taxes shall pay the same to legal depository of the district, to be deposited and held in a special fund for the payment of such interest-bearing time warrants, and except as herein otherwise provided, no part thereof shall be applied or used for any other purpose.

(f) Interest and penalties on delinquent taxes shall be deemed a part of such taxes for the purpose of this section. Should any delinquent taxes, including interest and penalties, be cancelled, waived, released or reduced either by such school district or in any other way, with or without its consent, the amount of the loss so sustained shall be paid by the district to the special fund provided for herein out of funds not otherwise pledged to such special fund.

(g) All school districts issuing interest-bearing time warrants shall have the power to fix lien on and encumber and mortgage any and all property purchased with the proceeds of such warrants, and to fix a lien on and encumber any property, including teacherages owned by the district to secure the payment of legally incurred obligations. Provided, however, there shall never be a valid lien authorized or fixed on any school building wherein actual classroom instruction of pupils attending such school is being carried on or conducted.

(h) The word "interest-bearing time warrant" as used in this section means promissory note, interest-bearing time warrant, obligation or other evidence of indebtedness issued under this section.

(i) Taxes levied in any year to pay principal and interest of bonds and which taxes subsequently become delinquent for the purpose of

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this section, shall not be included in the term taxes or revenues or delinquent taxes as herein used.

Subsec. (c) amended by Acts 1971, 62nd Leg., p. 1512, ch. 405, § 39, eff. May 26, 1971.

§ 20.44. Delinquent Tax Penalties in Independent Districts Having City of 275,000

(a) That the board of education or the board of trustees, as the case may be, of any independent school district within the State of Texas, whether created by general law or special act of the legislature, and wherein there may be situated a city having not less than 275,000 population according to the last preceding federal census, shall have the power by passing a resolution bby ¹ a majority vote of the members of said board of education or board of trustees, as the case may be, beginning with 1933 delinquent taxes due to any such school district, to require in addition to the payment of any such delinquent taxes, in lieu of the present penalties provided by law, the payment of a penalty of two percent upon the amount of the tax due if paid during the first month of such delinquency, four percent if paid during the second month of such delinquency, six percent if paid during the third month of such delinquency, eight percent if paid during the fourth month of such delinquency, nine percent if paid during the fifth month of such delinquency, and 10 percent if paid thereafter. Such resolution shall provide that, in addition to the payment of the tax and penalty as provided, interest at the rate of six percent per annum shall be charged and paid upon the gross amount of the tax and penalty due from the date the tax became delinquent until paid.

(b) Until and unless the board of education or board of trustees of any such independent school district shall pass the resolution provided for in the next preceding section hereof, the penalties and interest now provided by law on delinquent taxes due to any such independent school district shall be and remain in full force and effect.

(c) Notwithstanding the fact that such board of education or board of trustees of any such independent school district may hereafter, during any particular year, pass a resolution as provided for in Subsection (a) of this section, such action may be rescinded as to future years thereafter by a resolution passed by such board of education or board of trustees in any such school district by a majority vote of the members of such board of education or board of trustees, in which event the same interest and penalties now provided by law on delinquent taxes due to independent school districts shall immediately accrue on all taxes thereafter becoming delinquent if such taxes be not paid before the same become delinquent.

¹ So in enrolled bill.

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§ 20.45. Pledge of Delinquent Taxes as Security for Loan

The board of trustees of any school district of Texas is hereby authorized to pledge its delinquent school taxes levied for local maintenance purposes for specific school years as security for a loan, and such delinquent taxes pledged shall be applied against the principal and interest of the loan as they are collected. Provided, there shall be no pledging of delinquent taxes levied for school bonds for purposes herein set out. Funds secured through such loans may be employed for any legal maintenance expenditure or purpose of the school district. Provided further, that such loans may bear interest at a rate not to exceed six percent per annum.

§ 20.46. Additional Tax for Construction, Repair and Equipment of School Buildings; Purchase of Sites; Election

(a) Any school district, whether created under general or special law, having all or a portion of its territory situated in a county having a population of more than 190,000 according to the last preceding federal census, shall have the authority to levy an ad valorem tax, not to exceed 50 cents per \$100 valuation, for the purpose of paying the cost of the purchase, construction, repair, renovation or equipment of public free school buildings and the purchase of necessary sites therefor, provided, however, that no bonds or other evidence of indebtedness may be issued payable in whole or in part from the tax herein authorized; and provided further that no contract shall be made which will encumber more than the revenues to be collected from said tax in any one fiscal year.

(b) This additional tax for the maintenance of public free schools shall not be levied or collected until such time as it has been approved by a majority¹ of the resident, qualified, property-taxpaying voters who own taxable property within the district which has been duly rendered for taxation, participating in an election called for that purpose, have approved the additional maintenance tax. Nothing herein shall prohibit the submission of other propositions at such election; provided, however, that the proposition for the additional maintenance tax shall not be included in any other maintenance tax proposition, but shall be voted upon separately.

(c) It is the intent of this section to confer upon the school districts situated in large counties the right and power to make contracts for the expenditure of current funds for the same purpose as it may issue bonds, without the necessity of issuing bonds and paying the interest on such obligations, and shall be construed to this end and as not being in conflict with the provisions of any other law regulating the issuance of bonds. The election for the additional maintenance

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tax shall be called and held in the manner provided by Section 20.-04(a) and (e) of this code.

(d) The provisions of this statute shall not preclude the use of other tax revenues for such revenues to be so used.

¹ So in enrolled bill.

§ 20.47. Additional Tax for Construction, Repair and Equipment of Schools in Counties With Population in Excess of 150,000; Purchase of Sites; Election

(a) Any school district whether created under general or special law, having all or a portion of its territory situated in a county having a population of more than 150,000 according to the last preceding federal census and having or acquiring the authority to levy under then existing law an ad valorem tax of not to exceed \$1.75 per \$100.00 of assessed valuation for maintenance purposes, shall have the authority to levy, apportion and expend out of any such maintenance tax levy \$.50 per \$100.00 of assessed valuation for the purpose of paying the cost of purchase, construction, repair, renovation and equipment of public free school buildings and purchase of sites therefor; provided, however, that no bonds or other evidences of indebtedness may be issued payable in whole or in part from the maintenance tax so levied and allocated and provided further that no contract shall be made which will encumber more than the revenues on hand and to be collected from said tax in any one fiscal year.

(b) The levy, allocation and expenditure of such portion of the maintenance tax as herein provided, may be made after such action has been approved by a majority of the resident, qualified property-taxpaying voters, who own taxable property within the district which has been duly rendered for taxation, participating in an election called for that purpose. This section shall not affect maintenance taxes levied for the year 1958 and prior years by any school district adopting same.

(c) It is the intent of this section to confer upon school districts to which it is applicable now or hereafter, the right and power to make contracts for the expenditure of maintenance funds for the same purpose as it may issue bonds, without the necessity of issuing bonds and paying the interest on such obligations and this section shall be construed to this end and as not being in conflict with the provisions of any other law regulating the issuance of bonds. The election for the allocation and expenditure of such maintenance tax as provided herein shall be called and held in the manner provided by Section 20.-04(a) and (3) of this code.

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(d) The provisions of this statute shall not preclude the use of any tax revenues for the same or different purposes as herein specified to the extent it is now lawful for such revenues to be used.

§ 20.48. Authorized Expenditures

(a) The public free school funds shall not be expended except as provided in this section.

(b) The state and county available funds shall be used exclusively for the payment of teachers' and superintendents' salaries, fees for taking the scholastic census, and interest on money borrowed on short time to pay salaries of teachers and superintendents, when these salaries become due before the school funds for the current year become available; provided that no loans for the purpose of payment of teachers shall be paid out of funds other than those for the then current year.

(c) Local school funds from district taxes, tuition fees of pupils not entitled to free tuition and other local sources may be used for the purposes enumerated for state and county funds and for purchasing appliances and supplies, for the payment of insurance premiums, janitors and other employees, for buying school sites, buying, building and repairing and renting school houses, and for other purposes necessary in the conduct of the public schools to be determined by the board of trustees, the accounts and vouchers for county districts to be approved by the county superintendent; provided, that when the state available school fund in any city or district is sufficient to maintain the schools thereof in any year for at least eight months, and leave a surplus, such surplus may be expended for the purposes mentioned herein.

(d) All independent school districts having within their limits a city with a population of 160,000 or more according to the last preceding federal census shall, in addition to the powers now possessed by them for the use and expenditure of local school funds and for the issuance of school bonds, be expressly authorized and empowered, at the option of the governing body of any such school district, in the buying of school sites and/or additions to school sites and in the building of school houses, to issue and deliver notes of the school district, negotiable or non-negotiable in form, representing all or a part of the purchase price or cost to the school district of the land and/or building so purchased or built, and to secure such notes by a vendor's lien and/or deed of trust lien against such land and/or building, and, by resolution or order of the governing body of the school district made at or before the delivery of such notes, to set aside and appropriate as a trust fund, and the sole and only fund, for the payment of the principal of and interest on such notes such part

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and portion of the local school funds, levied and collected by the school district in that year and/or subsequent years, as the governing body of the school district may determine, provided that in no event shall the aggregate amount of local school funds set aside in or for any subsequent year for the retirement of such notes exceed, in any one such subsequent year, 10 percent of the local school funds collected during such year.

§ 20.481. Use of County Available Fund Apportionment for Vocational and Technical Schools

Where any public school district or accumulation of districts of this state operates a school designated as an area vocational school for vocational and technical school purposes and/or which participates in such a designated area vocational school program, its annual county available school fund apportionment, if any, shall be employed in the operation of such school and/or in financing facilities therefor notwithstanding any laws to the contrary; provided further, that any such school district(s) shall not be held accountable for or charged with county available school funds in determination of eligibility for minimum foundation school program funds.

Added by Acts 1971, 62nd Leg., p. 3008, ch. 994, § 4, eff. Aug. 30, 1971.

§ 20.49. Borrowing Money for Current Maintenance Expenses

(a) Independent or consolidated school districts are hereby authorized to borrow money for the purpose of paying maintenance expenses and to evidence such loans with negotiable notes; provided that at no time shall said loans exceed 75% of the previous years' income. Such notes shall be payable only from current maintenance taxes levied at or before the time of making such loans and from delinquent maintenance taxes. The term "maintenance expenses" or "maintenance expenditures" as used in this section means any lawful expenditure of the school district other than payment of principal of and interest on bonds.

(b) Such notes may be issued only after a budget has been adopted for the current school year and the maintenance expenditures stated therein do not exceed the maintenance tax levied for the current year, plus the delinquent maintenance taxes expected by the board of trustees to be collected during the then current school year. A budget, within the meaning of this section, may be amended or a new budget may be adopted at any time before the issuance of such notes.

(c) Such notes shall be authorized by resolution adopted by a majority vote of the board of trustees, signed by the president or vice

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president and attested by the secretary of said board. The notes shall bear interest at a rate of not to exceed six percent per annum.

(d) Any such note may contain a certification that it is issued pursuant to and in compliance with this section, and pursuant to a resolution duly adopted by the board of trustees, and such certification shall constitute sufficient evidence that said note is a valid and binding obligation of the district.

(e) This section is cumulative of and is not intended to replace or impair the provisions of Section 20.48 of this code.

§ 20.50. Contracts for Athletic Facilities

(a) Any independent school district, acting by and through its board of trustees, is hereby authorized to enter into a contract with any corporation, or any city or any institution of higher learning of the State of Texas (State University or College) located wholly or partially within its boundaries, for the use of any stadium and other athletic facilities owned by, or under the control of, any such entity. Such contract may be for any period, not exceeding 75 years, and may contain such terms and conditions as may be agreed upon between the parties.

(b) The district may enter into such contract for the use of such stadium and other athletic facilities for any purpose related to sports activities and other physical education programs for the students at the public free schools operated and maintained by such independent school district.

(c) The consideration for any such contract may be paid from any source available to such independent school district; but if¹ voted, as hereinafter provided, such independent school district shall be authorized to pledge to the payment of said contract an annual maintenance tax in an amount sufficient, without limitation, to provide all of such consideration. If so voted and pledged, such maintenance tax shall be assessed, levied, and collected annually in the same manner as provided by general law applicable to independent school districts for other maintenance taxes.

(d) No maintenance tax shall be pledged to the payment of any such contract or assessed, levied or collected unless an election is held in the independent school district and any such maintenance tax is duly and favorably voted by a majority of the resident, qualified electors of the independent school district who own taxable property therein and who have duly rendered the same for taxation, voting at said election. Each such election shall be called by order of the board¹ of trustees of the independent school district. The election order shall set forth the date of the election, the proposition to be submitted

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and voted on, the polling place or places, and any other matters deemed advisable by the board of trustees. Notice of said election shall be given by publishing a substantial copy of the order calling the election one time, at least ten days prior to the election, in a newspaper of general circulation in the district. Except as herein otherwise specifically provided, any such election shall¹ be held in accordance with the Texas Election Code.

¹ So in enrolled bill.