

By: Watson

S.B. No. 595

A BILL TO BE ENTITLED

AN ACT

relating to the equalized wealth level, basic allotment, local share, and guaranteed yield under the public school finance system.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 41.002(a), Education Code, is amended to read as follows:

(a) A school district may not have a wealth per student that exceeds:

(1) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to a district with maintenance and operations tax revenue per cent of tax effort equal to the maximum amount provided per cent under Section 42.101(a) or (b), for the district's maintenance and operations tax effort equal to or less than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50 ~~[the maintenance and operations tax rate adopted by the district for the 2005 tax year]~~;

(2) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516,

multiplied by \$1.50 [~~the maintenance and operations tax rate adopted by the district for the 2005 tax year~~], subject to Section 41.093(b-1); or

(3) the wealth per student specified under Subdivision (1) [\$319,500], for the district's maintenance and operations tax effort that exceeds the first six cents by which the district's maintenance and operations tax effort exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50 [~~the maintenance and operations tax rate adopted by the district for the 2005 tax year~~].

SECTION 2. Section 41.093(b-1), Education Code, is amended to read as follows:

(b-1) If the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302(a-1)(1) for which state funds are appropriated for a school year is an amount at least equal to the amount of revenue per weighted student per cent of tax effort available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, the commissioner, in computing the amounts described by Subsections (a)(1) and (2) and determining the cost of an attendance credit, shall exclude maintenance and operations tax revenue resulting from the first six cents by which a district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50 [~~the maintenance and operations tax rate adopted by the district for the 2005 tax year~~].

SECTION 3. Section 42.101, Education Code, as effective September 1, 2015, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1), for ~~[For]~~ each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to \$5,040 ~~[the lesser of \$4,765 or the amount that results from the following formula:~~

$$[A - \$4,765 \times (DCR/MCR)]$$

~~[where:~~

~~["A" is the allotment to which a district is entitled,~~

~~["DCR" is the district's compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, and~~

~~["MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50].~~

(a-1) A school district with a maintenance and operations tax rate less than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50 is entitled to a proportion of the allotment provided under Subsection (a) or (b) equal to the proportion that the district's maintenance and operations tax rate bears to the tax

1 rate equal to the product of the state compression percentage, as  
2 determined under Section 42.2516, multiplied by \$1.50.

3 SECTION 4. Section 42.252(a), Education Code, is amended to  
4 read as follows:

5 (a) Each school district's share of the Foundation School  
6 Program is determined by the following formula:

$$\text{LFA} = \text{TR} \times \text{DPV}$$

8 where:

9 "LFA" is the school district's local share;

10 "TR" is a tax rate which for each hundred dollars of valuation  
11 is an effective tax rate of the lesser of:

12 (1) the amount equal to the product of the state  
13 compression percentage, as determined under Section 42.2516,  
14 multiplied by [the lesser of:

15 (1)] \$1.50; or

16 (2) the maintenance and operations tax rate adopted by  
17 the district [for the 2005 tax year]; and

18 "DPV" is the taxable value of property in the school district  
19 for the preceding tax year determined under Subchapter M, Chapter  
20 403, Government Code.

21 SECTION 5. Section 42.302(a-1), Education Code, is amended  
22 to read as follows:

23 (a-1) ~~[In this section, "wealth per student" has the meaning~~  
24 ~~assigned by Section 41.001.]~~ For purposes of Subsection (a), the  
25 dollar amount guaranteed level of state and local funds per  
26 weighted student per cent of tax effort ("GL") for a school district  
27 is:

(1) the greater of the amount of district tax revenue per weighted student per cent of tax effort that would be available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, if the reduction of the limitation on tax increases as provided by Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the amount of district tax revenue per weighted student per cent of tax effort used for purposes of this subdivision in the preceding school year, for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50 [~~the maintenance and operations tax rate adopted by the district for the 2005 tax year~~]; and

(2) the amount of district tax revenue per weighted student per cent of tax effort available to a district with maintenance and operations tax revenue per cent of tax effort equal to the maximum amount provided per cent under Section 42.101(a) or (b) [\$31.95], for the district's maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (1).

SECTION 6. This Act takes effect September 1, 2015.