

## **BILL ANALYSIS**

Senate Research Center  
83R329 PAM-F

S.B. 657  
By: Paxton  
Finance  
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As Filed

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

The annual school district budget contains information on the overall financial picture of the school district, including tax rates, debt information, appropriations, capital investments, and explanations of educational programs. Some of the financial information and performance data is also located in the Public Education Information Management System (PEIMS).

S.B. 657 requires school districts to print a cover page for their respective adopted budgets listing a summary of the school district's property tax information, current public debt, and the amount of instructional expenditures in the previous school year as well as the record vote by which the budget was adopted.

As proposed, S.B. 657 amends current law relating to procedural requirements for adopting and filing a school district budget and voting requirements for setting a property tax rate by the governing body of a taxing unit, including a school district.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 44.004(f), Education Code, to require the board of trustees, at the meeting called for that purpose, to adopt a budget to cover all expenditures for the school district for the next succeeding fiscal year, and requires that a vote to adopt the budget be a record vote.

SECTION 2. Amends Section 44.005, Education Code, as follows:

Sec. 44.005. New heading: ADOPTED BUDGET. (a) Creates this subsection from existing text. Makes no further changes to this subsection.

(b) Requires that the filed budget contain a cover page that includes:

- (1) if the budget requires raising more revenue from property taxes than in the previous year, a certain statement in a certain form;
- (2) the school district property tax rates for the preceding and current fiscal years, including the adopted property tax rate, the effective tax rate, the effective maintenance and operations tax rate, the rollback tax rate, and the debt rate;
- (3) the total amount of bonds and other debt obligations owed by the district as of the date of the adoption of the budget;
- (4) a list of district expenditures comparing the preceding and current fiscal year expenditures for total per student expenditures, per student expenditures for classroom instruction activities, per student expenditures for administrative and instructional support activities, per student

expenditures for district operations, and per student expenditures for debt service requirements; and

(5) the record vote of each member of the board of trustees by name voting on the adoption of the budget and the setting of the property tax rate for the current fiscal year, if the vote has been taken.

(c) Requires the district to take action to ensure that the cover page of the budget is amended to include the record vote of each member of the board of trustees, by name, following the vote on the setting of the property tax rate for the current fiscal year, if the information is not included on the cover page.

(d) Requires the school district, on or before the date described by Subsection (a), to post a copy of the adopted budget, including the required cover page, on the district's Internet website, if the district operates an Internet website, and maintain the information for at least three consecutive fiscal years.

SECTION 3. Amends Section 26.05(b), Tax Code, to require that the vote on the ordinance, resolution, or order setting a tax rate, rather than an order setting a tax rate that exceeds the effective tax rate, be a record vote.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2013.