

ATTACHMENT II
Text of 19 TAC

Chapter 105. Foundation School Program

Subchapter A. Definitions

§105.1. Rules for the Definition of Tax Levy and Tax Collection.

- (a) General provisions. For the purpose of determining state aid under the Texas Education Code, Chapter 42 and Chapter 46, and in implementing the wealth-equalizing provisions of the Texas Education Code, Chapter 41, calculations that include tax collections as a data element shall reference subsection (b) of this section.
- (b) Definitions. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.
 - (1) Total levy. The sum of the maintenance and operation and debt service levies generated by applying a district's adopted tax rates to its locally assessed valuation of property for the current tax year.
 - (2) Tax collection.
 - (A) For districts with a fiscal year that begins on July 1, total taxes collected between July 1 and June 30 for the current and all prior years' levies.
 - (B) For districts with a fiscal year that begins on September 1, total taxes collected between September 1 and August 31 for the current and all prior years' levies.
 - (C) For a district that has been awarded a property value adjustment for a major taxpayer protest pursuant to Texas Education Code, §42.2531, the district may petition the commissioner to attribute taxes that had been withheld due to the protest of valuation to the year in which the taxes were originally levied.
 - (3) Types of tax collections.
 - (A) Maintenance and operations taxes are those taxes collected during the fiscal year that are associated with the levy of local maintenance and operations tax rates, including current and delinquent taxes and any delinquent taxes related to former county education districts, but not including penalties and interest that accrue on delinquent maintenance and operations tax levies or the tax credits authorized by the Texas Tax Code, Chapter 313.
 - (B) Interest and sinking fund taxes are those associated with the levy of local interest and sinking fund taxes, not including penalties and interest that accrue on delinquent interest and sinking funds tax levies.

Statutory Authority: The provisions of this §105.1 issued under the Texas Education Code, §42.004.

Source: The provisions of this §105.1 adopted to be effective September 1, 1996, 21 TexReg 586; amended to be effective June 6, 2004, 29 TexReg 5344; amended to be effective October 15, 2017, 42 TexReg 5438.

Subchapter B. Use of State Funds

§105.11. Maximum Allowable Indirect Cost.

- (a) No more than 48% of each school district's Foundation School Program (FSP) special allotments under the Texas Education Code, Chapter 42, Subchapter C, may be expended for indirect costs related to the following programs: compensatory education, bilingual education and special language programs, and special education. No more than 45% of each school district's FSP special allotments under the Texas Education Code, Chapter 42, Subchapter C, may be expended for indirect costs related to gifted and talented education programs. No more than 42% of each school district's FSP special allotments under the Texas Education Code, Chapter 42, Subchapter C, may be expended for indirect costs related to career and technical education programs. Indirect costs may be attributed to the following expenditure function codes: 34--Student Transportation; 41--General Administration; 81--Facilities Acquisition and Construction; and the Function 90 series of the general fund, as defined in the Texas Education Agency publication, Financial Accountability System Resource Guide.
- (b) For the 2012-2013 school year and each year thereafter, a school district may choose to use a greater indirect cost allotment under the Texas Education Code, §§42.151, 42.153, 42.154, and 42.156, to the extent the school district receives less funding per weighted student in state and local maintenance and operations revenue than in the 2011-2012 school year. The commissioner of education shall develop a methodology for a school district to make a determination under this section and may require any information necessary to implement this subsection. The commissioner's methodology must limit the percentage increase in allowable indirect cost to no more than the percentage decrease in state and local maintenance and operations revenue from the 2011-2012 school year.

Statutory Authority: The provisions of this §105.11 issued under the Texas Education Code, §§42.151(h), 42.152(c), 42.153(b), 42.154(c), 42.1541, and 42.156(b).

Source: The provisions of this §105.11 adopted to be effective September 1, 1996, 21 TexReg 5710; amended to be effective December 5, 2004, 29 TexReg 11347; amended to be effective December 31, 2009, 34 TexReg 9439; amended to be effective December 26, 2011, 36 TexReg 8825.

§105.12. Basic Allotment.

A school district may use state aid received pursuant to the Texas Education Code (TEC), Chapter 42, Subchapter B, and indirect costs as defined in §105.11 of this title (relating to Maximum Allowable Indirect Cost) for any lawful purpose, including operations and using, purchasing, or acquiring real property or land; improving real property; constructing or equipping buildings; renovating real property; repairing real property; or maintaining real property. A school district may fund obligations from state aid received pursuant to the TEC, Chapter 42, Subchapter B, including reduction of bond tax by deposit into the district debt service fund, lease purchase agreements, and public property finance contracts authorized under the Local Government Code, §271.004 and §271.005; time warrants issued pursuant to the TEC, §45.103; maintenance notes issued pursuant to the TEC, §45.108; and contracts issued pursuant to the TEC, §44.901.

Statutory Authority: The provisions of this §105.12 issued under the Texas Education Code, §42.004.

Source: The provisions of this §105.12 adopted to be effective October 10, 1999, 24 TexReg 8547.