Existing Debt Allotment

Texas Education Code (TEC) and Texas Administrative Code (TAC) References

Texas Education Code, Chapter 46, Subchapter B, Assistance with Payment of Existing Debt

Texas Administrative Code, Chapter 61, Subchapter CC, Commissioner's Rules Concerning School Facilities §61.1035, Assistance with Payment of Existing Debt

History/Relevant Background Information

In 1999, the 76th Texas Legislature added Subchapter B to Chapter 46 of the Texas Education Code (TEC) to create the Existing Debt Allotment (EDA) program. The EDA program operates without applications and has no award cycles. This program provides tax rate equalization for local debt service taxes. By providing a guaranteed yield on Interest and Sinking fund (I&S) taxes levied by school districts to pay the principal of and interest on eligible bonds, the program guarantees a specific amount of state and local funds per student for each cent of tax effort up to $0.29 per $100 of assessed valuation. Currently, the guaranteed yield for EDA provides $35 per student in average daily attendance (ADA) per penny of tax effort.

Only general obligation bonds are eligible for the EDA program. Lease-purchase agreements authorized by Local Government Code, §271.004, are not eligible. Debt service for which the district currently receives assistance through the Instructional Facilities Allotment in accordance with TEC Subchapter A, Chapter 46 is not eligible to receive state assistance. The eligibility of bonds for the EDA program is determined by the first payment of debt service in accordance with TEC §46.033. Refunding bonds as defined by TEC §46.007 are also eligible for EDA assistance.

The eligibility date for the EDA program was amended by the passage of House Bill 3646, 81st Texas Legislature. Section 76 of the bill changed the TEC, §46.033, to provide a permanent roll-forward provision to establish bond eligibility for the EDA program. The amendments to the section deleted the eligibility dates in the statute and replaced those dates with references to the last year of the preceding biennium. As a result, bonds that were issued during a biennium, with the first payment made during that biennium, will become automatically eligible for the EDA in the following biennium without the need for legislative action.

(continued)

Year	# of EDA Eligible LEAs	# of EDA Funded LEAs	Total EDA State Share	Total EDA Local Share	Total EDA State and Local Share
2000-01	600	534	480,242,769	897,603,315	1,305,711,896
2001-02	644	551	539,788,446	1,183,376,201	1,625,720,872
2002-03	702	521	455,155,033	1,226,556,913	1,552,448,828
2003-04	717	537	486,959,078	1,560,216,354	1,875,782,674
2004-05	713	525	430,222,458	1,594,438,586	1,845,159,905
2005-06	736	525	497,898,307	1,882,626,803	2,169,492,431
2006-07	728	488	438,309,519	2,017,823,390	2,187,773,875
2007-08	779	471	446,922,771	2,509,588,056	2,554,696,794
2008-09	778	446	345,011,861	2,746,052,878	2,564,582,497
2009-10	801	431	305,043,562	3,300,006,723	2,825,280,323
2010-11 (est.)	790	391	317,490,818	3,256,850,758	2,811,548,780

Contact for More Information

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