

Legislative Update

A4LE Legislative + Bond + Construction Conversation
April 24, 2025

Missy Bender
Executive Director

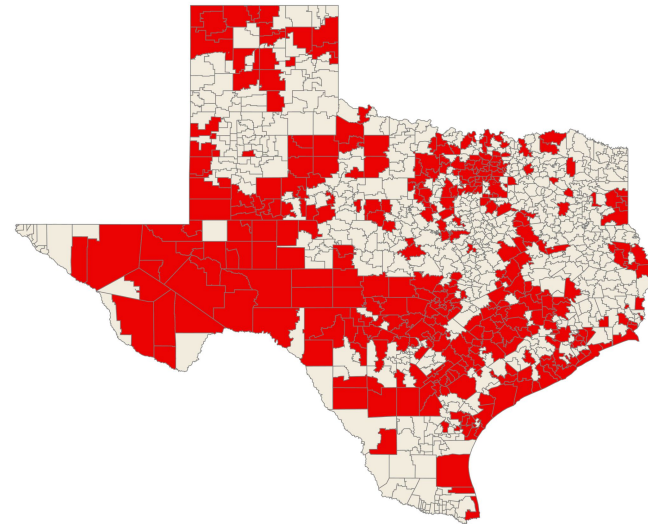


Advocating for 32 years



— EST. 1993 —

The Texas School Coalition was founded in 1993 to represent and advocate for the interests of Texas school districts required to share local property tax revenue under the state's school finance system, commonly referred to as "Chapter 49" or "Robin Hood."



OUR MISSION

Provide research, information, advocacy, and consultation regarding public school funding in Texas.

Agenda



Public Education Funding Landscape



Legislative Recap



Bond-Related Legislation



Strategic Implications

Texas has a surplus



\$23.76 billion budget surplus
(includes \$4.5 billion from last session)

HB 500 supplements the budget from the last legislative session by \$14.4 billion.

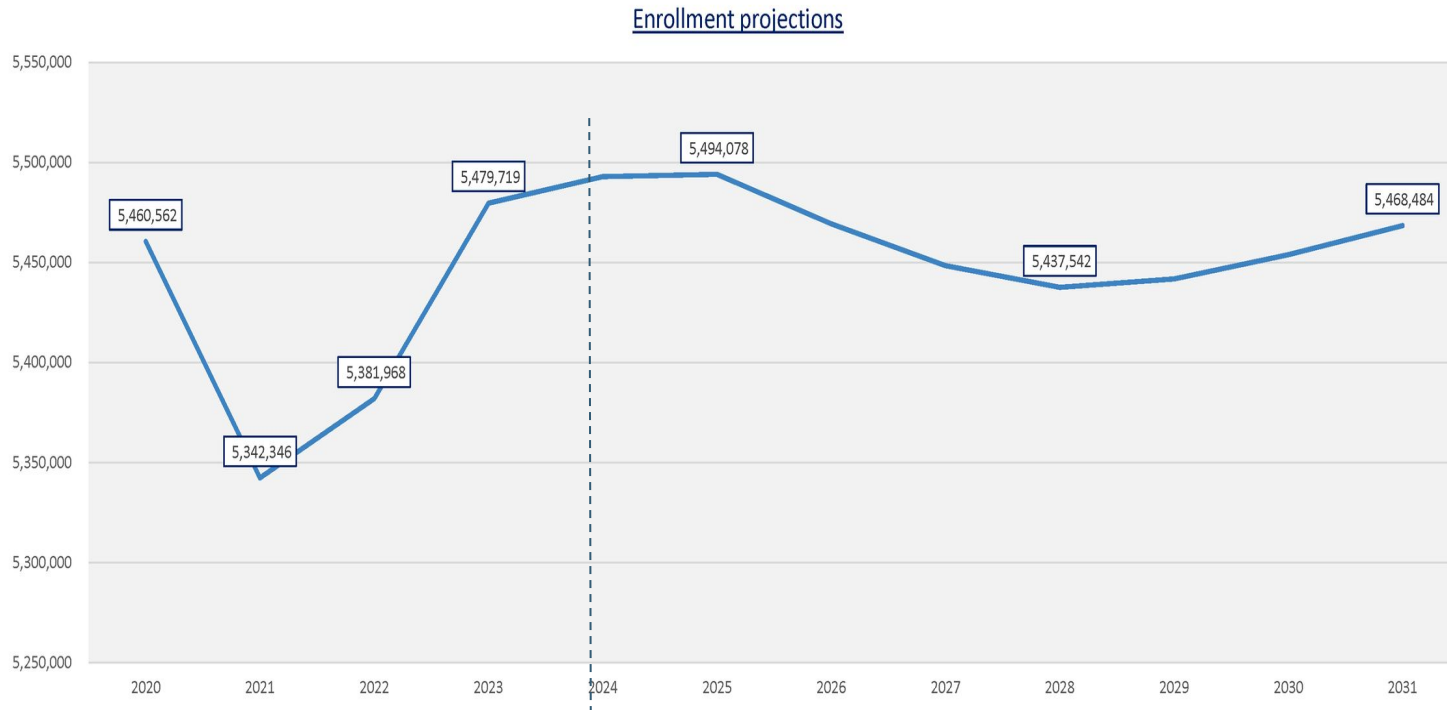
\$500 million of the spending is an additional contribution to the Teacher Retirement System.

**\$28.5 billion balance in
Rainy Day Fund**
(by end of 2026-27 biennium)

Rainy Day Fund is full

No additional transfers from oil and natural gas tax collections for this biennium

Statewide enrollment is slowing

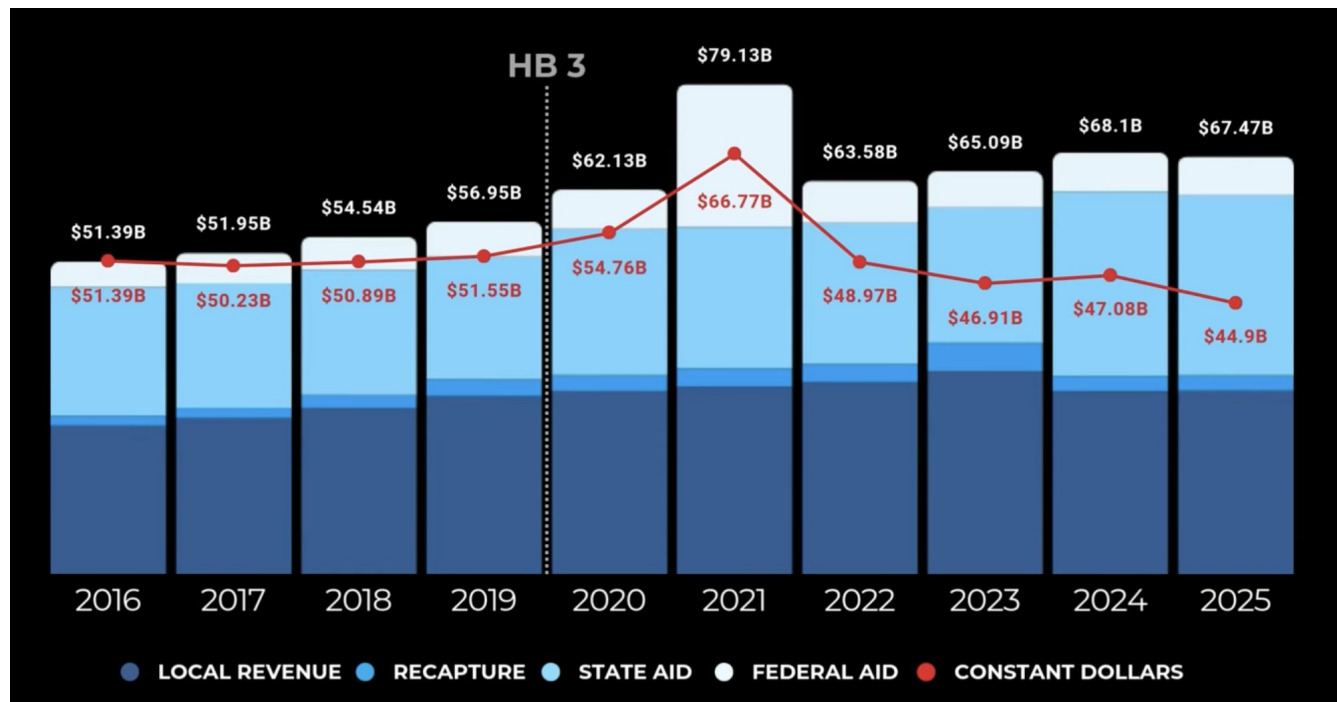


Additionally, student attendance rates hovered around 92% pre-COVID. They are now closer to 91%.

Inflation since 2019 exceeds 20%

Funding for Texas public schools is lagging.

Statewide education funding is **down \$9.8 billion** in constant dollars since 2020.



(source: LBB)

Student need is increasing

RISING STUDENT NEED

In addition to inflation, rising student needs have further increased the cost of education.

AN INCREASE OF
130,246
ECONOMICALLY DISADVANTAGED
STUDENTS IN TEXAS SINCE 2020



4%

AN INCREASE OF
232,381
EMERGENT BILINGUAL
STUDENTS IN TEXAS SINCE 2020



22%

AN INCREASE OF
188,862
SPECIAL EDUCATION
STUDENTS IN TEXAS SINCE 2020



35%

School closures happening statewide

LOCAL NEWS

Parents push back as Leander ISD considers closing campuses to ease \$34 million budget deficit

The district said it will continue to build a new school while it considers closing others amid a \$34 million budget shortfall.

Closing of Eanes ISD school calling attention to declining birth rate in Texas

by Fred Cantu | Fri, January 17th 2025 at 8:10 AM
Updated Fri, January 17th 2025 at 8:11 AM



DALLAS - FORT WORTH / LEWISVILLE - COPPELL / EDUCATION

5 Lewisville ISD schools to close ahead of the 2025-26 school year



By Jonathan Perriello | 10:07 PM Dec 9, 2024 CST
Updated 12:48 PM Dec 10, 2024 CST



EDUCATION NEWS

Aldine ISD to close six more schools, citing budget deficit, enrollment decline

The north Houston school district is one of many public school districts in Texas to be faced with a funding shortfall as the state legislature has not increased the per-student allotment since 2019.

Kyle McClenagan | February 26, 2025, 5:01 PM



It's official. Plano ISD will close 4 schools in 2025.

By Paige Ellenberger | Published June 11, 2024 7:00am CDT | Plano | FOX 4 | [↗](#)

NEWS // EDUCATION

NEISD to close three schools amid budget shortfall, declining enrollment

The vote makes it the sixth San Antonio school district to order school closures since 2023 in response to shrinking enrollment, heightened expenses, and stagnant state funding.

By Melissa Manno, Staff writer
Feb 10, 2025



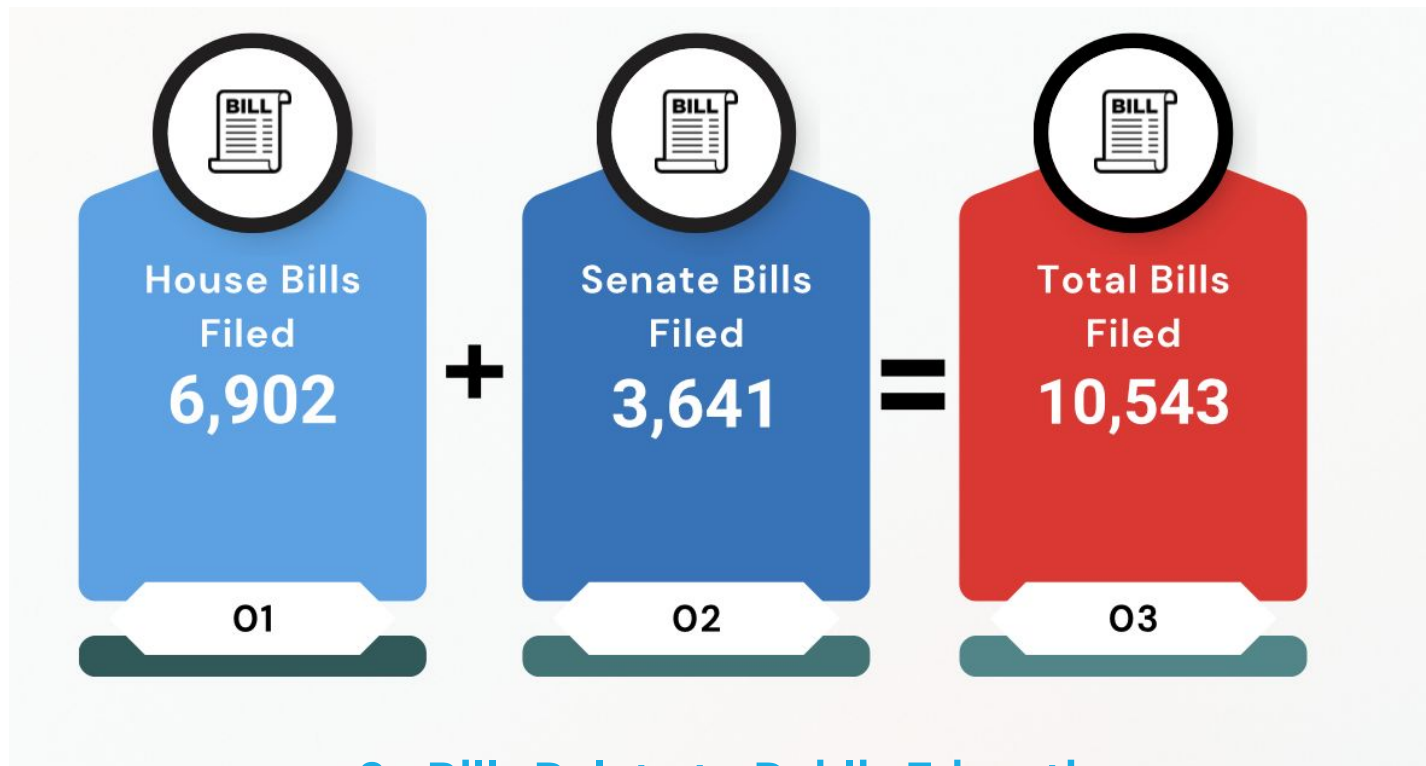
Education

Carrollton-Farmers Branch ISD to close four schools

KERA | By Olla Mokhtar
Published March 7, 2025 at 4:16 PM CST

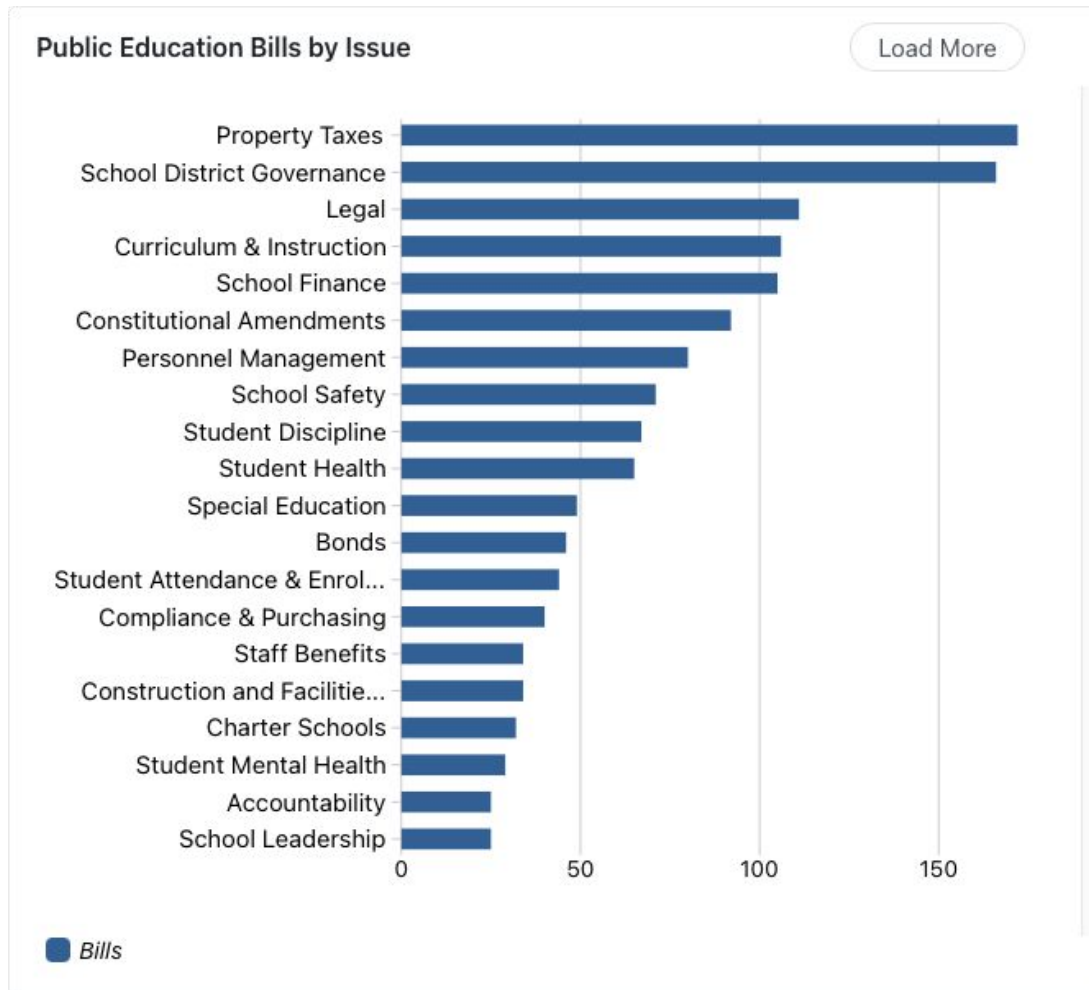


Bills Filed in 89th Legislative Session

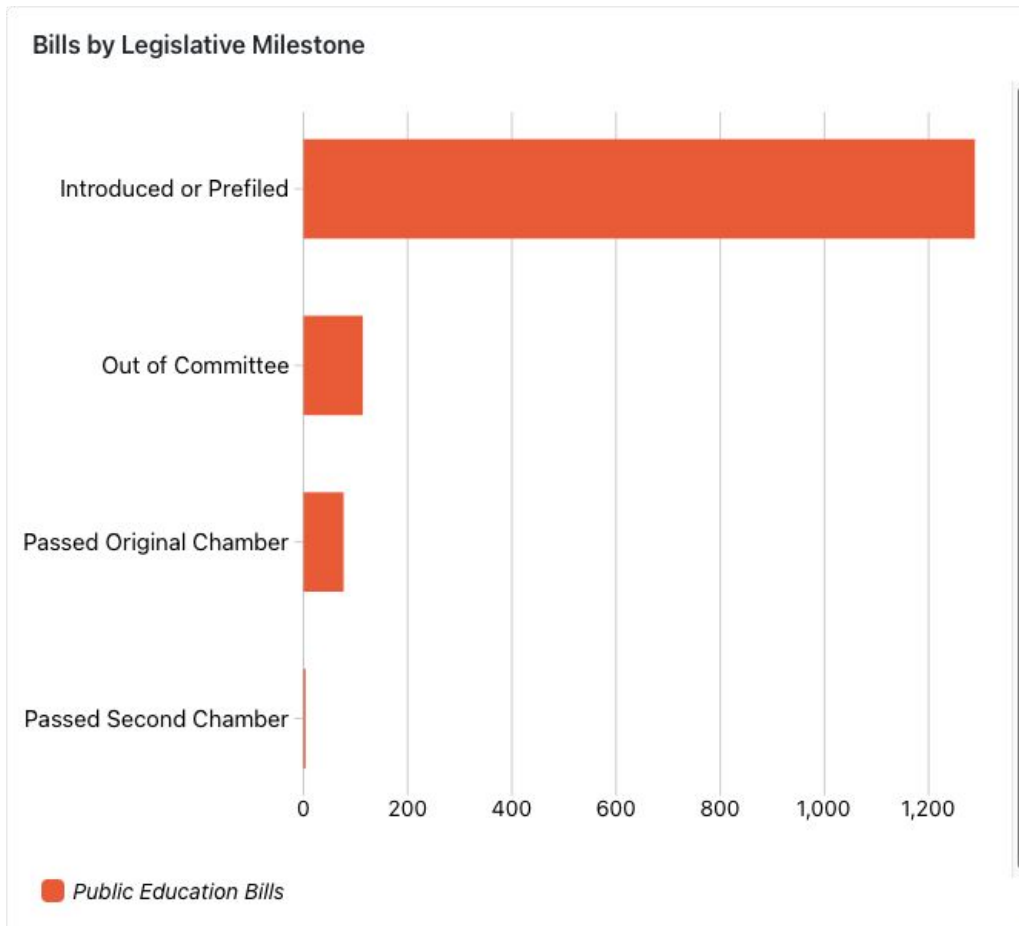


1,484 Bills Relate to Public Education

Public Education Bill Topics



Education Bills by Legislative Milestone

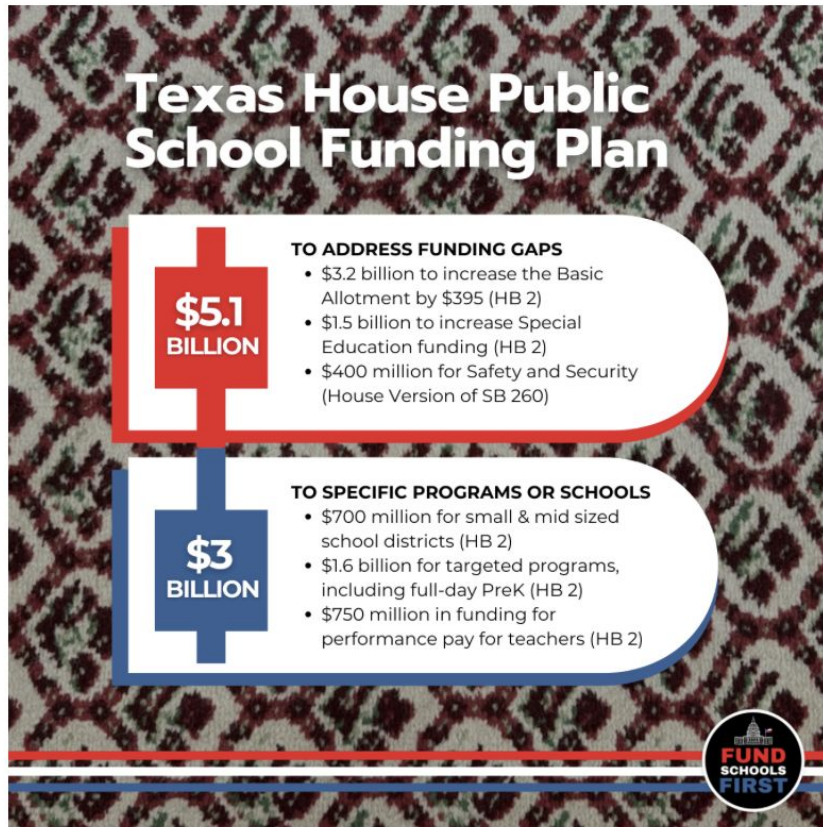


as of 4/23/25

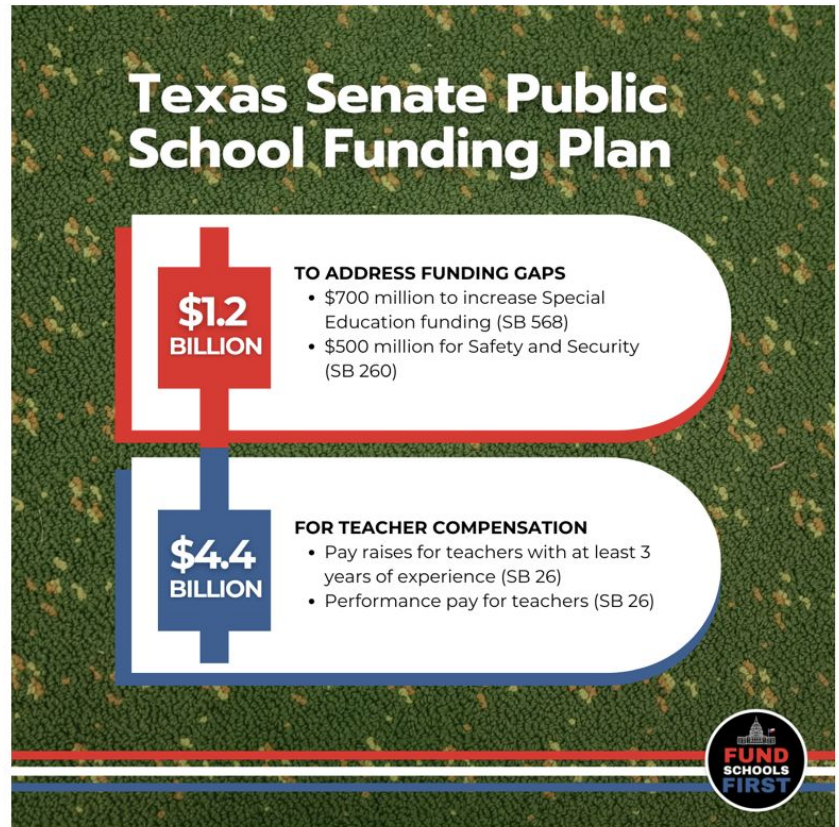
Session Timeline



Dueling Public Education Plans



\$8.1 billion



\$5.6 billion

Largest initial implementation of Vouchers/ESA

- Uses public funds for private tuition and homeschooling
 - \$10,000 per student receiving regular education
 - Up to \$30,000 per student receiving special education private education
 - \$2,000 per home school student
- Spends \$1,000,000 in Year 2 of the biennium
- Program is overseen by Comptroller
- Limits number of families of students currently enrolled in private schools to 20% of available funds.
- Lt. Governor recommended Senate concur with changes House made to SB 2
- Creates 5 Educational Assistance Organizations to manage program
- No special education protections for students

May 2025 Bond Elections



Number of
Bond
Elections

63

01



Number of
Bond
Propositions

99

02



Total Value of
Propositions

\$13
billion

03

Largest 3 School Bond Elections

Celina ISD- \$2,295,695,579

- Funding for 11 new campuses, including the district's second high school, district-wide safety and security enhancements, technology upgrades, and additional buses to meet the needs of the growing student population. This bond is structured to maintain the current tax rate.

Hays CISD- \$968,651,340

- General growth, safety, and facility rehabilitation, including construction and renovation of existing schools, safety upgrades, infrastructure improvements, purchase of new buses, and acquisition of land for future school sites.

Melissa ISD- \$875,000,000

- New Early Childhood Center, multiple 3–5 elementary schools, school renovations, a new middle school, a 9th grade center, and transportation expansions (buses, etc.).

Constitutional Amendments

HJR 76 (Dorazio)

Constitutional amendment allocating surplus state revenue for school district bond debt

Purpose: Proposes a constitutional amendment to allocate certain surplus state revenues to assist school districts in repaying bond debt.

Key Provisions:

Allocation of Surplus Revenue: For the state fiscal year beginning September 1, 2026, the amendment would appropriate specific surplus state revenues to school districts for the purpose of repaying bond debt.

Voluntary Acceptance: School districts may choose to decline the funds distributed under this provision.

Restriction on Bond Issuance: School districts that accept the funds would be prohibited from issuing new bonds supported by ad valorem taxes during the 10-year period beginning on the date the funds are accepted.

Expiration: This constitutional provision would expire on September 1, 2039.

Implementation: If approved by the Legislature, the amendment would be placed on the ballot for voter consideration in the **November 4, 2025** general election.

Legislative Status: Filed on November 12, 2024, and referred to the House Appropriations Committee on March 7, 2025.

HJR 163 (Olcott)

Proposed constitutional amendment on school bond elections

Purpose: Seeks to amend the Texas Constitution to raise the required voter approval threshold for school district bond elections.

Current Requirement: A simple majority (more than 50%) of voters must approve a bond measure.

Proposed Change: Increase the approval requirement to **three-fifths (60%)** of voters participating in the election for bonds related to school district funding.

Scope: Applies to **ad valorem taxes** levied for repaying principal and interest on bonds issued by school districts.

Implementation: If passed by the Legislature, the amendment would be placed on the ballot for voter consideration in the **November 4, 2025** general election.

Legislative Status: Filed on March 3, 2025, and referred to the House Committee on Pensions, Investments & Financial Services on March 26, 2025.

HJR 180 (Dorazio)

Proposed constitutional amendment on municipal funding for school campus improvements

Purpose: Proposes a constitutional amendment to allow municipalities to use their funds to finance capital improvements on certain public school campuses.

Specifics:

- Authorizes municipalities to fund capital improvements to public school campuses of independent school districts.
- These improvements must be necessary to accommodate increased student enrollment resulting from the construction of developments funded by low-income housing tax credits within the school district's attendance zone. [T](#)

Implementation:

- If approved by the Legislature, the amendment would be placed on the ballot for voter consideration in the **November 4, 2025** general election.

Legislative Status: Filed on March 10, 2025, and referred to the House Committee on Intergovernmental Affairs on March 31, 2025.

HJR 213 (Troxclair)

Constitutional Amendment Requiring Supermajority for Bond Approvals

Purpose: Proposes a constitutional amendment to require a two-thirds supermajority vote for political subdivisions, including school districts, to issue general obligation bonds.

Key Provisions:

Supermajority Requirement: Amends Article XVI of the Texas Constitution to stipulate that a political subdivision may not issue general obligation bonds unless at least two-thirds of the voters voting at the election authorize the issuance.

Effective Date: If approved by voters, the amendment would take effect on January 1, 2026, and apply to bond elections ordered on or after that date.

Temporary Provision: Includes a temporary provision that expires on January 1, 2027.

Ballot Language: The proposition will appear on the November 4, 2025, ballot as: "The constitutional amendment to require a supermajority vote to authorize a political subdivision to issue general obligation bonds."

Legislative Status:

- Filed on March 14, 2025 and referred to Pensions, Investments & Financial Services on April 7, 2025.

Debt Issuance and Repayment Restrictions

HB 19 (Meyer)

Proposed Reforms to Local Government Debt Issuance and Ad Valorem Taxation

Purpose: Aims to reform the framework governing debt issuance and management for local governments in Texas, including school districts, by introducing new restrictions and requirements related to ad valorem tax rates and the use of tax revenues for debt repayment.

Key Provisions:

Mandatory November Elections: All elections for issuing bonds or raising ad valorem tax rates must occur on the November uniform election date; emergency elections are prohibited.

Enhanced Public Notice Requirements: Public meeting notices regarding budgets and proposed tax rates must include clear and bold wording that emphasizes taxpayer involvement and potential tax implications, particularly for senior citizens.

Debt Service Cap: Imposes a 20% cap on annual debt service, linking it directly to the average property tax collection over the previous three years.

Restrictions on Tax Revenue Use: Prohibits the use of increased maintenance and operations tax revenue for debt repayment, ensuring that such funds are directed solely towards operational needs.

Implementation:

- If passed, the bill would take effect on **September 1, 2025**, with certain provisions becoming effective in early 2026.

Legislative Status: Filed on March 14, 2025, and referred to the House Ways & Means Committee on March 17, 2025. A public hearing was held on April 21, 2025, and bill was left pending. A committee substitute is expected.

HB 3879 (Troxclair)

Restrictions on Ad Valorem Tax Use and Bond Issuance

Purpose: Seeks to enhance fiscal transparency and accountability by restricting the use of ad valorem taxes and ensuring that bond-funded projects align with voter-approved purposes.

Key Provisions:

Definition of "Materially Deviate": Introduces the term "materially deviate" in the Tax Code, defined as making a significant change in carrying out the purpose stated to voters on a ballot proposition or in any order or resolution calling for the election.

Restrictions on Tax Levy and Bond Use: Prohibits political subdivisions from levying ad valorem taxes or issuing bonds if the use of the funds would materially deviate from the purpose approved by voters.

Legal Recourse: Provides mechanisms for legal challenges if a political subdivision is believed to have materially deviated from the stated purpose of the tax or bond.

Legislative Status:

- Filed on March 8, 2025.
- Referred to the House Ways & Means Committee on March 14, 2025.
- Considered in public hearing on April 21, 2025 and left pending.

Bond Debt Transparency

HB 103 (Troxcclair)

Transparency in Local Government Bond Debt and Tax Information

Purpose: Establishes a centralized, publicly accessible database to enhance transparency regarding local government bonds, taxes, and related projects.

Key Provisions:

Database Creation: Mandates the Texas Comptroller, in coordination with the Bond Review Board, to develop and maintain a comprehensive database containing current and historical information on bonds, taxes, and bond-related projects issued by taxing units, including school districts.

Reporting Requirements: Taxing units are required to submit the specified information to the Comptroller.

Civil Penalty: Failure to report the required information within 30 days of notification results in a civil penalty of \$1,000, enforceable by the Attorney General.

Implementation:

- If enacted, the bill would take effect on **September 1, 2025**.

Legislative Status:

- Filed on March 14, 2025 and referred to the House Ways & Means Committee on March 17, 2025.
- Public hearing held on March 24, 2025; left pending in committee.
- Reported favorably as substituted on April 7, 2025.
- Committee report sent to Calendars on April 22, 2025.

HB 5303 (Troxclair)

Supermajority Requirements for Tax Increases and Bond Issuance

Purpose: Aims to enhance fiscal responsibility and ensure broader consensus by requiring supermajority votes for certain tax rate increases and the issuance of general obligation bonds by political subdivisions, including school districts.

Key Provisions:

- **Bond Issuance Approval:** Mandates that a political subdivision may not issue general obligation bonds unless at least 60% of the governing body members vote in favor of the issuance.
- **Tax Rate Increases After Failed Elections:** If voters reject a proposed tax rate that exceeds the voter-approval rate, the governing body must obtain at least an 80% vote to adopt a tax rate exceeding the voter-approval rate in the following tax year.
- **Applicability to Water Districts:** Extends similar supermajority voting requirements to water districts when adopting tax rates that exceed voter-approval rates after a failed election.
- **Effective Date:** January 1, 2026. [I](#)

Legislative Status:

- Filed on March 14, 2025.
- Referred to Ways & Means on April 7, 2025.

HB 2053 (Buckley)

Texas Education Agency Bond and Tax Transparency Database

Purpose: Mandates the Texas Education Agency (TEA) to develop and maintain a comprehensive, publicly accessible database detailing school district bonds, taxes, and bond-related projects.

Key Provisions:

- **Database Contents:** For each bond issued or proposed by a school district, the database must include:
 - Ballot proposition language.
 - Projected interest and sinking fund tax rates.
 - Election results.
 - List of projects funded by the bond.
 - Detailed accounting of bond proceeds usage.
 - Any increases in tax rates resulting from issued bonds.
- **Maintenance Taxes:** Information on proposed or approved maintenance tax rates and related ballot language.
- **Election Results:** Outcomes of elections held under Section 26.08 of the Tax Code, including proposed ad valorem tax rates.
- **Reporting Functionality:** The database must allow for report generation by geographic area and enable proposals for updates or corrections.
- **School District Reporting:** Districts are required to provide the TEA with the necessary information to populate and maintain the database.
- **Third-Party Contracts:** The TEA may contract with third parties for the development and maintenance of the database.
- **Rulemaking Authority:** The Commissioner of Education is authorized to adopt rules to implement these provisions.

Implementation:

- If enacted, the bill would take effect on **September 1, 2025**.

Legislative Status:

- Filed on January 23, 2025.
- Referred to the House Public Education Committee on March 14, 2025

HB 3526 (Capriglione)

Enhancing Fiscal Transparency for Local Government Bonds

Purpose: Aims to improve fiscal transparency and public accountability regarding bonds issued by local governmental entities, including school districts.

Key Provisions:

- **Searchable Bond Database:** Mandates the Texas Bond Review Board to develop and maintain a publicly accessible, searchable online database detailing each bond proposed or issued by local governments.
- **Required Information:** For each bond, the database must include:
 - Principal amount.
 - Estimated interest over the life of the bond.
 - Total estimated repayment cost (principal + interest).
- **Biennial Repayment Report:** Requires the Bond Review Board to submit a report every two years to legislative finance committees, detailing:
 - The estimated total repayment amount at issuance.
 - The actual amount of principal and interest paid to date.
 - Any tax rate increases implemented to service the debt.
- **Implementation Timeline:** The online database must be operational by **September 1, 2026**.

Legislative Status:

- Filed on February 28, 2025.
- Referred to the House Committee on Pensions, Investments & Financial Services on March 24, 2025.
- Reported favorably out of committee on April 21, 2025.
- Committee report sent to Calendars on April 22, 2025.

SB 843 (Kohlkorst)

Texas Education Agency Database of School District Bonds, Taxes, and Bond-Related Projects

Purpose: Mandates the Texas Education Agency (TEA) to develop and maintain a comprehensive, publicly accessible database detailing school district bonds, taxes, and bond-related projects.

Key Provisions:

- **Bond Information:** For each bond issued or proposed by a school district, the database must include:
 - Ballot proposition language, Projected interest and sinking fund (I&S) tax rate, Election results, List of projects funded by the bond, Accounting of bond proceeds usage, Any increase in the I&S tax rate resulting from issued bonds.
- **Maintenance Tax Information:** For maintenance taxes levied or proposed by a school district, the database must include:
 - Proposed or approved tax rate, Ballot proposition language.
- **Election Results:** Outcomes of elections held under Section 26.08 of the Tax Code, including the proposed ad valorem tax rate.
- **Reporting Functionality:** The database must allow for report generation by geographic area and enable proposals for updates or corrections.
- **School District Reporting:** Districts are required to provide the TEA with the necessary information to populate and maintain the database.
- **Third-Party Contracts:** The TEA may contract with third parties for the development and maintenance of the database.
- **Rulemaking Authority:** The Commissioner of Education is authorized to adopt rules to implement these provisions.

Implementation:

- If enacted, the bill would take effect on **September 1, 2025**.

Legislative Status:

- Filed on January 17, 2025.
- Referred to the Senate Education K-16 Committee on February 13, 2025.
- Public hearing occurred on April 8, 2025.
- Vote taken in committee on April 15, 2025
- Committee report printed and distributed on April 16, 2025.
- Placed on intent calendar April 23, 2025.

Bond Election Requirements

HB 5490 (Troxcclair)

Supermajority Requirement for Bond and Tax Rate Elections

Purpose: Seeks to enhance fiscal responsibility by requiring a two-thirds supermajority vote in elections authorizing the issuance of general obligation bonds or approving increases in ad valorem tax rates by political subdivisions, including school districts.

Key Provisions:

Supermajority Vote Requirement: Amends the Tax Code to mandate that at least two-thirds of voters approve propositions for issuing general obligation bonds or increasing ad valorem tax rates.

Contingent Implementation: The supermajority requirement would take effect on January 1, 2026, only if the corresponding constitutional amendment proposed by HJR 213 is approved by voters.

Enhanced Notice Requirements: Updates public notice language to reflect the supermajority requirement, ensuring voters are informed about the higher approval threshold.

Legislative Status:

- Filed on March 14, 2025.
- Referred to the House Committee on Pensions, Investments & Financial Services on April 7, 2025.

HB 3655 (Olcott)

Increasing Voter Approval Threshold for School District Bonds

Purpose: Seeks to raise the voter approval threshold for school district bond elections from a simple majority to a three-fifths supermajority, thereby enhancing fiscal responsibility and ensuring broader community support for new debt obligations.

Key Provisions:

Supermajority Requirement: Amends Section 45.003 of the Texas Education Code to require that bonds issued under Section 45.001 be authorized by at least 60% of qualified voters participating in the election, replacing the previous simple majority requirement.

Election Procedures: Mandates that elections for bond approval be called by resolution or order of the governing board, specifying the date, propositions, polling places, and other necessary details.

Contingent Implementation: The bill's provisions would take effect on **January 1, 2026**, but only if the corresponding constitutional amendment proposed by HJR 163 is approved by voters. If the amendment is not approved, HB 3655 has no effect. [Texas Legislative Online](#)

Legislative Status:

- Filed on **March 10, 2025**.
- Referred to the House Committee on Pensions, Investments & Financial Services on **March 25, 2025**.

HB 1195 (Curry)

Standardizing Election Dates for School District Bond Propositions

Purpose: Aims to standardize the dates on which school districts can hold elections seeking voter approval for the issuance of bonds, thereby enhancing transparency and voter participation.

Key Provisions:

Election Date Restriction: Mandates that school district bond elections be held only on the following dates:

The May uniform election date.

The date of the general election for state and county officers (November).

The date of a general primary election.

Effective Date: If enacted, the bill would take effect on **September 1, 2025**.

Legislative Status:

- Filed on **November 12, 2024**.
- Referred to Pensions, Investment & Financial Services on March 7, 2025.

Bond Guarantee

HB 5035 (Harrison)

Prohibition on Guaranteeing School Bonds

Purpose: Seeks to eliminate the use of the Permanent School Fund (PSF) to guarantee bonds issued by school districts and charter schools, thereby removing state-backed credit enhancements for these bonds.

Key Provisions:

Prohibition of PSF Guarantees: Amends Section 45.052 of the Education Code to prohibit the guarantee or underwriting of bonds issued by school districts or charter districts using the corpus and income of the PSF.

Grandfather Clause: Maintains existing guarantees for bonds approved before September 1, 2025, until their maturity or defeasance.

Repeal of Related Provisions: Repeals multiple sections of the Education Code related to the bond guarantee program, including procedures for charter district bond guarantees and the charter district bond guarantee reserve fund.

Effective Date: September 1, 2025.

Legislative Status:

- Filed on March 14, 2025.
- Referred to House Public Education on April 3, 2025.

Repeated Bond Elections

HB 2207 (Bumgarner)

Restriction on Repeated Bond Propositions

Purpose: Seeks to prevent political subdivisions, including school districts, from repeatedly proposing the issuance of general obligation bonds for the same purpose if voters have recently rejected such a proposition.

Key Provisions:

Two-Year Moratorium: Prohibits a political subdivision from submitting a bond proposition to voters for a specific purpose if a similar proposition for that purpose was rejected in a bond election held within the preceding two years.

Applicability: Applies to all political subdivisions in Texas, encompassing school districts, cities, counties, and other local governmental entities.

Effective Date: If enacted, the bill would take effect on **September 1, 2025**, and would apply to elections ordered on or after that date.

Legislative Status:

- Filed on January 29, 2025.
- Referred to the House Pensions, Investments & Financial Services Committee on March 14, 2025.
- Considered in a public hearing and left pending in committee on March 24, 2025.

HB 5319 (Harrison)

Restriction on Repeated Bond Propositions

Purpose: Seeks to prevent political subdivisions, including school districts, from repeatedly proposing the issuance of general obligation bonds for the same purpose if voters have recently rejected such a proposition.

Key Provisions:

Five-Year Moratorium: Prohibits a political subdivision from submitting a bond proposition to voters for a specific purpose if a similar proposition for that purpose was rejected in a bond election held within the preceding five years.

Applicability: Applies to all political subdivisions in Texas, encompassing school districts, cities, counties, and other local governmental entities.

Effective Date: If enacted, the bill would take effect on **September 1, 2025**, and would apply to elections ordered on or after that date.

Legislative Status:

- Filed on March 14, 2025.
- Referred to the House Pensions, Investments & Financial Services Committee on April 7, 2025.

SB 409 (Middleton)

Restriction on Repeated Bond Propositions

Purpose: Aims to prevent political subdivisions, including school districts, from repeatedly proposing the issuance of general obligation bonds for the same purpose if voters have recently rejected such a proposition.

Key Provisions:

- **Five-Year Moratorium:** Prohibits a political subdivision from submitting a bond proposition to voters for a specific purpose if a similar proposition for that purpose was rejected in a bond election held within the preceding five years.
- **Applicability:** Applies to all political subdivisions in Texas, encompassing school districts, cities, counties, and other local governmental entities.
- **Effective Date:** If enacted, the bill would take effect on **September 1, 2025**, and would apply to elections ordered on or after that date.

Legislative Status:

- Filed on November 21, 2024.
- Referred to the Senate Local Government Committee on February 3, 2025.

Bond Advocacy

HB 3013 (Hickland)

Restriction on Use of Public Funds for Bond Advocacy

Purpose: Aims to prohibit school districts from using public funds to promote or advocate for the passage of bond proposals.

Key Provisions:

School district boards of trustees are barred from spending public money to pay or contract with individuals or entities that have an interest in the passage of a bond proposal to promote or advocate for that proposal.

Implementation:

- If enacted, the bill would take effect on **September 1, 2025**.

Legislative Status:

- Filed on February 19, 2025.
- Referred to the House Public Education Committee on March 20, 2025.

Bond Language

SB 1025 (Bettencourt)

Enhanced Transparency in Tax-Related Ballot Propositions

Purpose: Aims to increase transparency for voters by standardizing the language used in ballot propositions that propose the imposition, increase, or reduction of taxes.

Key Provisions:

- **Standardized Language:** Requires that ballot propositions related to tax changes be printed in mixed-case letters and include clear statements indicating whether the proposition would result in a tax increase or decrease.
- **Applicability:** Applies to all political subdivisions in Texas, including school districts, cities, and counties.
- **Effective Date:** If enacted, the bill would take effect on **September 1, 2025**, and would apply to elections ordered on or after that date.

Legislative Status:

- Filed on January 30, 2025.
- Referred to the Senate Local Government Committee on February 24, 2025.
- Reported favorably by the committee on March 17, 2025.
- Passed the Senate on March 20, 2025, with a vote of 23 yeas and 6 nays.
- Received in the House and referred to the House Ways & Means Committee on April 9, 2025.

SB 2394 (Creighton)

Enhanced Ballot Language for School District Bond Elections

Purpose: Aims to increase transparency for voters by standardizing the language used in school district bond election propositions.

Key Provisions:

Mandatory Statement: Requires that each school district bond proposition include the statement:

"THIS AUTHORIZES THE DISTRICT TO TAKE ON ADDITIONAL DEBT." This replaces the previous requirement stating "THIS IS A PROPERTY TAX INCREASE."

Effective Date: If enacted, the bill would take effect on **September 1, 2025**.

Legislative Status:

- Filed on **March 12, 2025**.
- Referred to the Senate Education K-16 Committee on **March 25, 2025**.

Restricted Use

SB 2395 (Creighton)

Restricting Use of Unspent Bond Proceeds

Purpose: Aims to enhance fiscal accountability by limiting the use of unspent general obligation bond proceeds by school districts to ensure alignment with voter-approved purposes.

Key Provisions:

Use of Unspent Proceeds: Amends Section 45.1105(a) of the Education Code to permit school districts to use unspent bond proceeds only for:

The specific purposes for which the bonds were authorized.
Retiring the bonds.

Elimination of Alternative Uses: Removes the provision that allowed districts to repurpose unspent bond funds for other projects if the original purposes were completed or abandoned, even with board approval at a public meeting.

Prospective Application: Applies only to general obligation bonds authorized at elections held on or after the effective date of the Act.

Legislative Status: Filed on March 12, 2025. Referred to Education K-16. Considered in Committee on April 8, and voted out favorably on April 14. Placed on local & uncontested calendar for April 24, 2025.

Effective Date: September 1, 2025.

What can you do?

1. Stay Informed
 - Monitor bond-related bills
2. Engage with Lawmakers
 - Share your perspective on how these laws will impact school construction timelines, costs, community trust.
3. Tell the Story
 - Help legislators understand how delays, limits, or added bureaucracy could impact student learning environments
4. Support Districts
 - Amplify a unified message that flexibility and local control are essential for responsible school facility planning
5. Join Our Advocacy Efforts
 - Support Texas School Coalition as a Sponsor

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