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**Note:** The statutory provisions below may be broader than the district's authority pertaining to taxation.

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**Authorized Expenditures**

A district shall not lend its credit or gratuitously grant public money or things of value in aid of any individual, association, or corporation. *Tex. Const. Art. III, Sec. 52; Brazoria County v. Perry, 537 S.W.2d 89 (Tex. Civ. App.—Houston [1st Dist.] 1976, no writ)*

A district shall not grant any extra compensation, fee, or allowance to a public officer, agent, servant, or contractor after service has been rendered or a contract entered into and performed in whole or in part. Nor shall a district pay or authorize the payment of any claim against the district under any agreement or contract made without authority of law. *Tex. Const. Art. III, Sec. 53; Harlingen Indep. Sch. Dist. v. C.H. Page and Bro., 48 S.W.2d 983 (Comm. App. 1932)*

The state and county available funds may be used only for the payment of teachers' and superintendents' salaries and interest on money borrowed on short time to pay those salaries that become due before school funds for the current year become available. Loans for the purpose of payment of teachers may not be paid out of funds other than those for the current year. *Education Code 45.105(b)*

Local funds from district taxes, tuition fees, other local sources, and state funds not designated for a specific purpose may be used for purposes listed above for state and county available funds and for purchasing appliances and supplies; paying insurance premiums; paying janitors and other employees; buying school sites; buying, building, repairing, and renting school buildings, including acquiring school buildings and sites by leasing through annual payments with an ultimate option to purchase [see CHG]; and for other purposes necessary in the conduct of the public schools determined by the board. *Education Code 45.105(c)*

Public funds of a district may not be spent in any manner other than as provided for in the budget adopted by the board, but the board may amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses. *Education Code 44.006(a)*

**Fiscal Year**

The fiscal year of a district begins on July 1 or September 1 of each year, as determined by the board. *Education Code 44.0011*

**Budget Preparation**

On or before the date set by the State Board of Education (SBOE), a superintendent shall prepare, or cause to be prepared, a pro-

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posed budget covering all estimated revenue and proposed expenditures of a district for the following fiscal year. The budget must be prepared according to generally accepted accounting principles, rules adopted by the SBOE, and adopted policies of the board of trustees. *Education Code 44.002; 19 TAC 109.1(a), .41*

Funds for Accelerated Instruction

A district that is required to provide accelerated instruction under Education Code 29.081(b-1) [see EHBC] shall separately budget sufficient funds, including funds under Education Code 48.104, for that purpose. *Education Code 29.081(b-2)*

Itemization of Certain Expenditures

The proposed budget of a district must include, in a manner allowing for as clear a comparison as practicable between those expenditures in the proposed budget and actual expenditures for the same purpose in the preceding year, a line item indicating expenditures for:

1. Notices required by law to be published in a newspaper by the district or a representative of the district; and
2. Directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Government Code 305.002.

*Local Gov't Code 140.0045*

**Public Meeting on Budget**

When the budget has been prepared, the board president shall call a board meeting for the purpose of adopting a budget for the succeeding fiscal year. Any resident of a district may be present and participate in the meeting. *Education Code 44.004(a), (f)*

The meeting must comply with the notice requirements of the Open Meetings Act. *Gov't Code 551.041, .043* [See BE]

Published Notice

The board president shall provide for publication of notice of the budget and proposed tax rate meeting in a daily, weekly, or bi-weekly newspaper published in the district. If no daily, weekly, or biweekly newspaper is published in the district, the president shall provide for publication of notice in at least one newspaper of general circulation in the county in which the district's central administrative office is located. The notice shall be published not earlier than the 30th day or later than the tenth day before the date of the hearing. *Education Code 44.004(b)*

Publication of Proposed Budget Summary

Concurrently with the publication of notice of the budget under Education Code 44.004, as described above, a district shall post a summary of the proposed budget on the school district's internet website or, if the district has no internet website, in the district's central administrative office.

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The budget summary must include a comparison to the previous year's actual spending and information relating to per student and aggregate spending on:

1. Instruction;
2. Instructional support;
3. Central administration;
4. District operations;
5. Debt service; and
6. Any other category designated by the commissioner.

*Education Code 44.0041*

**Budget Adoption**

The board, at the meeting called for that purpose, shall adopt a budget to cover all expenditures for the succeeding fiscal year. *Education Code 44.004(f)*

**Publication of Adopted Budget**

On final approval of the budget by the board, the district shall post on the district's internet website a copy of the budget adopted by the board. The district's website must prominently display the electronic link to the adopted budget. A district shall maintain the adopted budget on the district's website until the third anniversary of the date the budget was adopted. *Education Code 44.0051*

On or before a date set by the SBOE, the budget must be filed with the Texas Education Agency according to rules established by the SBOE. *Education Code 44.005*

**Internet Posting of Budget Information**

Each district shall maintain an internet website or have access to a generally accessible internet website that may be used for the purposes of these provisions. Each district shall post or cause to be posted on the internet website the following information in a format prescribed by the comptroller:

1. The name of each member of the board;
2. The mailing address, email address, and telephone number of the district;
3. The official contact information for each member of the board, if that information is different from the information described by item 2;
4. The district's budget for the preceding two years;
5. The district's proposed or adopted budget for the current year;

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6. The change in the amount of the district's budget from the preceding year to the current year, by dollar amount and percentage;
7. The tax rate for maintenance and operations adopted by the district for the preceding two years;
8. The interest and sinking fund tax rate adopted by the district for the preceding two years;
9. The tax rate for maintenance and operations proposed by the district for the current year;
10. The interest and sinking fund tax rate proposed by the district for the current year; and
11. The most recent financial audit of the district.

*Tax Code 26.18*

**Amendment of  
Approved Budget**

The board may amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses. Any amendment or supplementary budget must be prepared and filed in accordance with SBOE rules. *Education Code 44.006*

**Failure to Comply  
with Budget  
Requirements**

A board member who votes to approve any expenditure of school funds in excess of the item or items appropriated in the adopted budget or a supplementary or amended budget commits a misdemeanor offense. *Education Code 44.052(c)*

**Certain Donations**

A district may donate funds or other property or service to the adjutant general's department, the Texas National Guard, or the Texas State Guard. *Gov't Code 437.111(b), .252, .304(a)*

**Commitment of  
Current Revenue**

A contract for the acquisition, including lease, of real or personal property is a commitment of a district's current revenue only, provided the contract contains either or both of the following provisions:

1. Retains to a board the continuing right to terminate the contract at the expiration of each budget period during the term of the contract.
2. Is conditioned on a best efforts attempt by the board to obtain and appropriate funds for payment of the contract.

*Local Gov't Code 271.903*

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**Prohibited Uses of Resources**

Improvements to Real Property

Except as provided below or by Education Code 45.109(a-1), (a-2), or (a-3) [see CX], the board may not enter into an agreement authorizing the use of school district employees, property, or resources for the provision of materials or labor for the design, construction, or renovation of improvements to real property not owned or leased by the district.

This provision does not prohibit the board from entering into an agreement for the design, construction, or renovation of improvements to real property not owned or leased by the district if the improvements benefit real property owned or leased by the district. Benefits to real property owned or leased by the district include the design, construction, or renovation of highways, roads, streets, sidewalks, crosswalks, utilities, and drainage improvements that serve or benefit the real property owned or leased by the district.

*Education Code 11.168*

Hotels

The board may not impose taxes; issue bonds; use or authorize the use of district employees; use or authorize the use of district property, money, or other resources; or acquire property for the design, construction, renovation, or operation of a hotel. The board may not enter into a lease, contract, or other agreement that obligates the board to engage in an activity prohibited by this provision or obligates the use of district employees or resources in a manner prohibited by this provision.

“Hotel” means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a motel.

*Education Code 11.178*

Electioneering

For restrictions on using district funds for electioneering, see BBBD.