

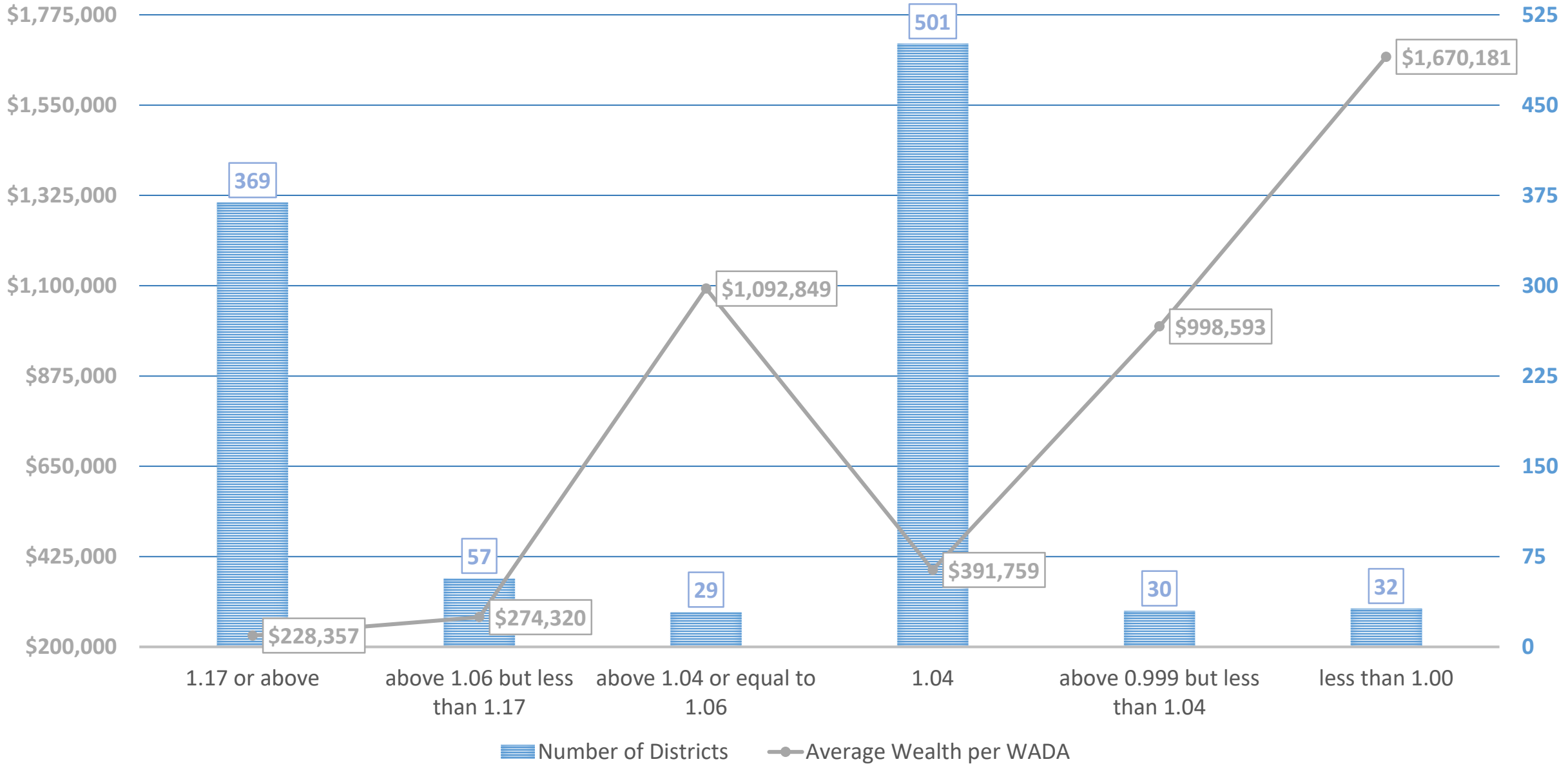
Overview of a School Finance Plan That Makes Sense for Everyone

An Equity Center Presentation for
The Commission on Public School Finance
March 19, 2018

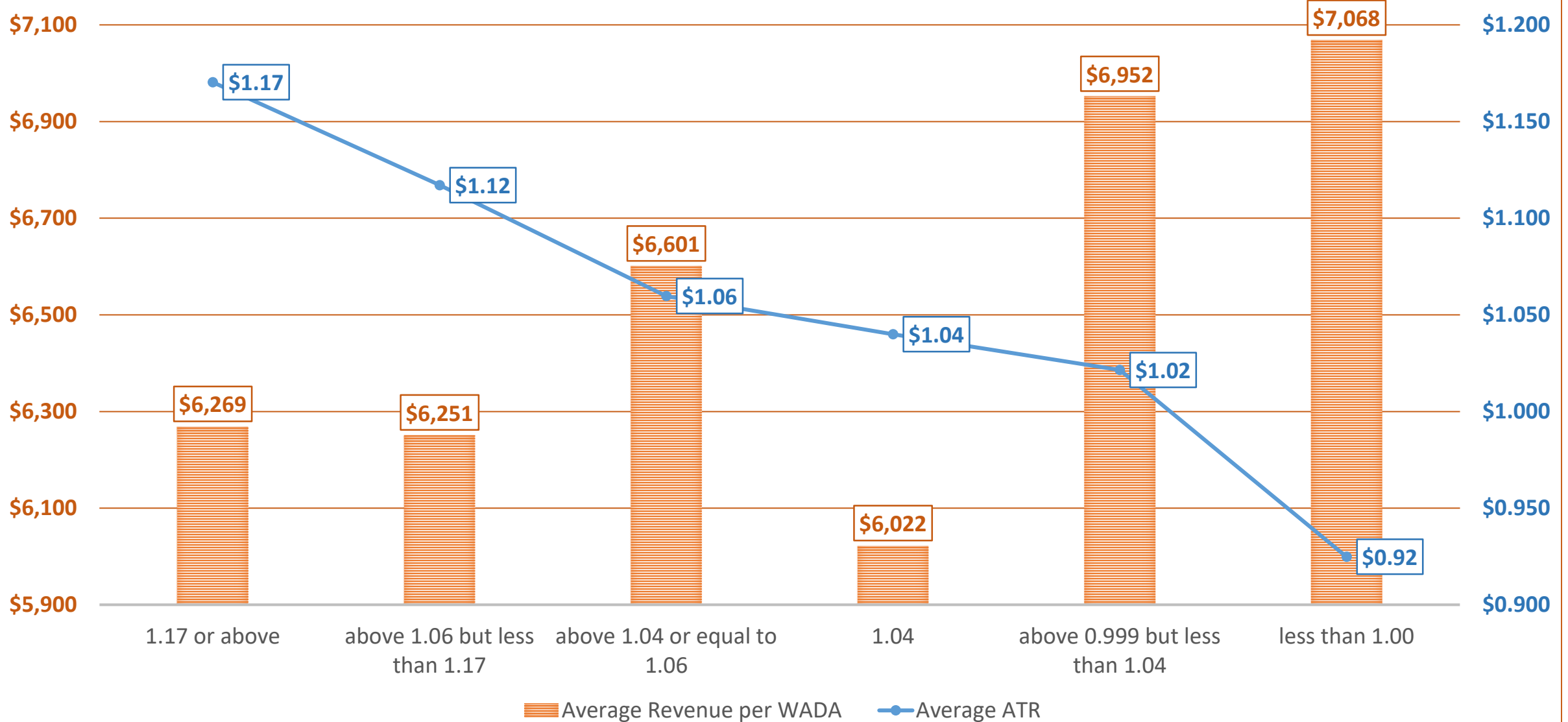
Principles of an Efficient Funding System

- Funding for Texas' students needs to make sense for everyone. It cannot be based on one district's crisis or even on a set of runs.
- Funding decisions must be based on actual costs to educate students...holding to the TEC §42.001 promise to provide substantially equal access to a similar education at a similar tax rate.
- Funding Texas' schools should be fair to Texas' taxpayers. Your dollar should generate the same level of funding for your children as my dollar does for mine.

FY 2017 SCHOOL DISTRICT ADOPTED M&O TAX RATE (ATR) INFORMATION

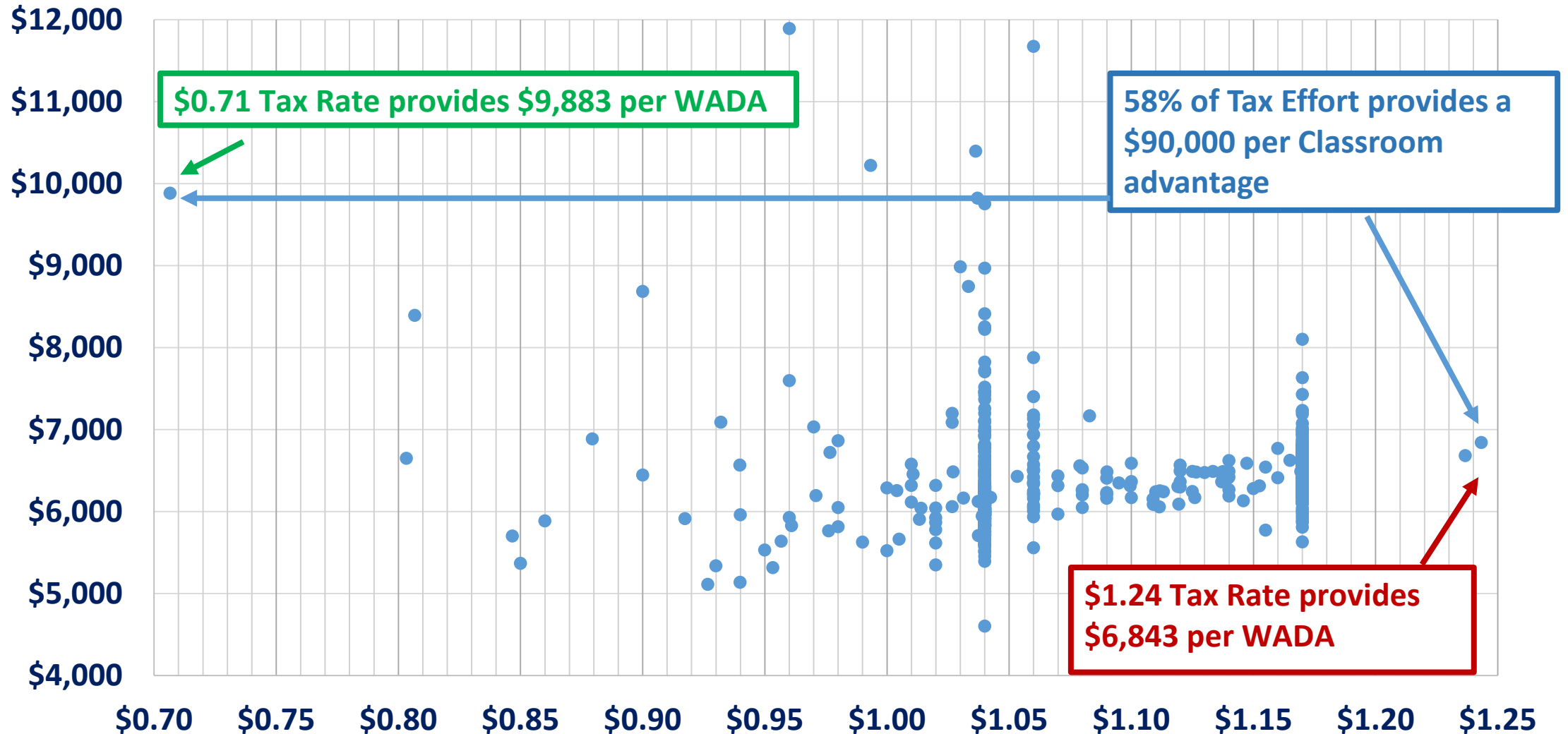


FY 2017 SCHOOL DISTRICT REVENUE PER WADA/ADOPTED M&O TAX RATE (ATR) COMPARISON

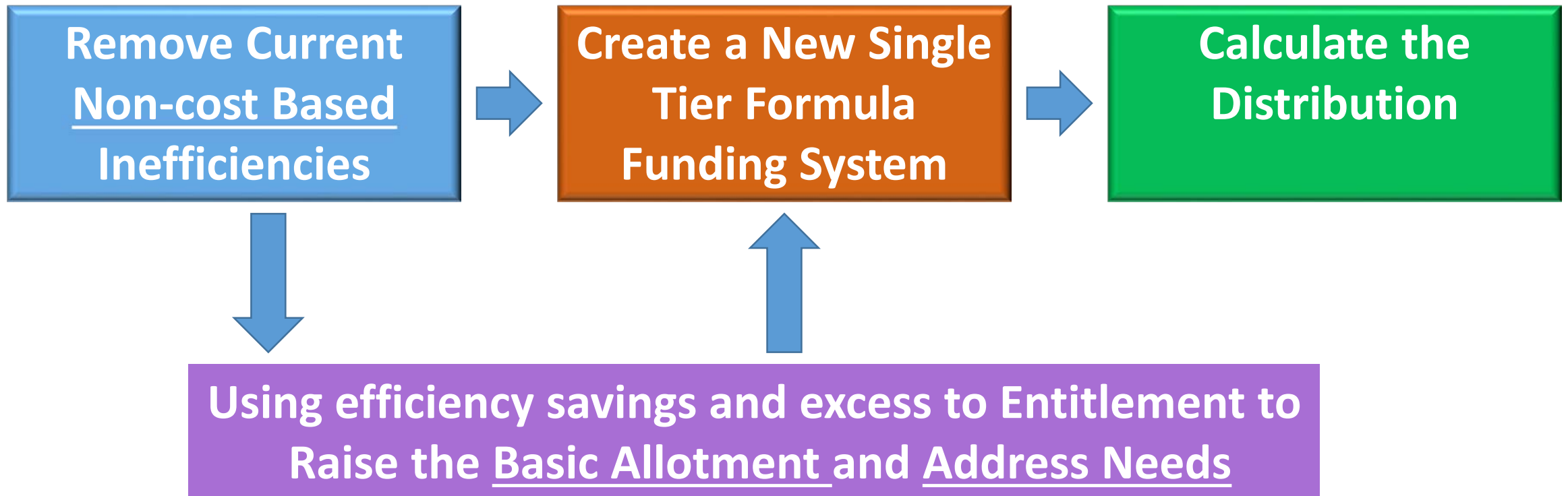


FY 18 Revenue per WADA at Adopted M&O Tax Rate

TEA January 2018 DATA



A Simplified, Efficient System of School Finance



Every District is Guaranteed Access to the Full Sum of its Five Instructional Allotments, plus Transportation

(Enrichment funding is accessible for all districts, as shown in the following two slides)



Inputs in calculating the five instructional allotments include current law adjustments (Cost of Education Index, Diseconomy of Scale Adjustments and various Program Weights) in order to reflect varying costs among children and districts in achieving the state's academic goals. The allotments are all calculated in the plan in the same manner they are currently calculated for state funding. For details regarding the state's methodology, see the Texas Education Agency's Summary of Finance at <https://tealprod.tea.state.tx.us/fsp/Reports/ReportSelection.aspx> or contact the Equity Center for more details. Please note this plan does not change those basic elements because any changes to weights or formulas should be determined by the Legislature, based on unbiased and objective studies, and reflective of actual costs, hopefully reviewed on a rotating cycle.

Every District is Guaranteed Access to the Full Sum of its Allotments, plus Transportation and Enrichment



Determine Funding Levels

- Assume, for ease of following the calculations, the sum of the five instructional allotments is **\$1,000,000** and the Transportation Allotment is **\$50,000**.

Examples:

(Sum of 5 Allotments x Tax Effort) + Transportation = Funding Level

$$(\$1,000,000 \times 1.00) = \$1,000,000 + \$50,000 = \$1,050,000$$

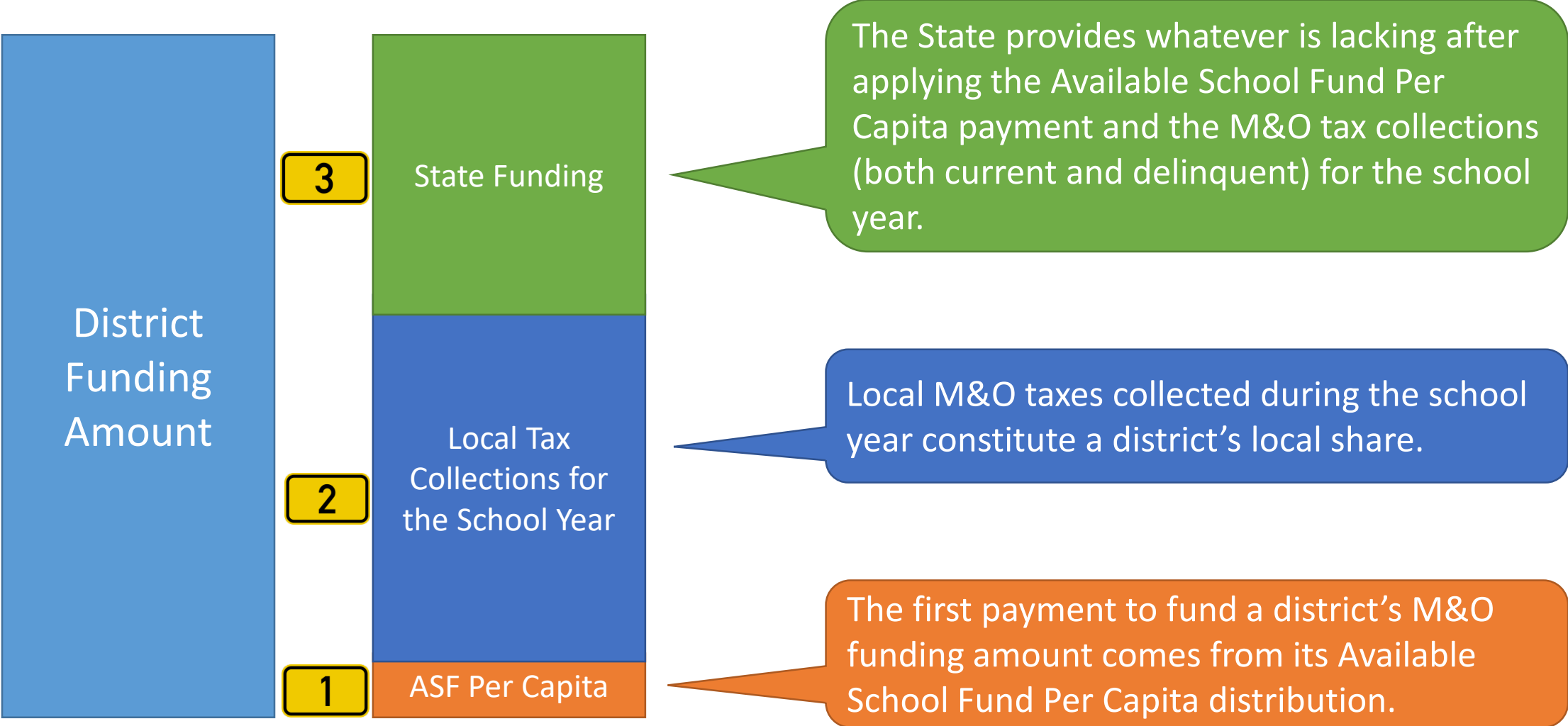
$$(\$1,000,000 \times 1.04) = \$1,040,000 + \$50,000 = \$1,090,000$$

$$(\$1,000,000 \times 0.96) = \$960,000 + \$50,000 = \$1,010,000$$

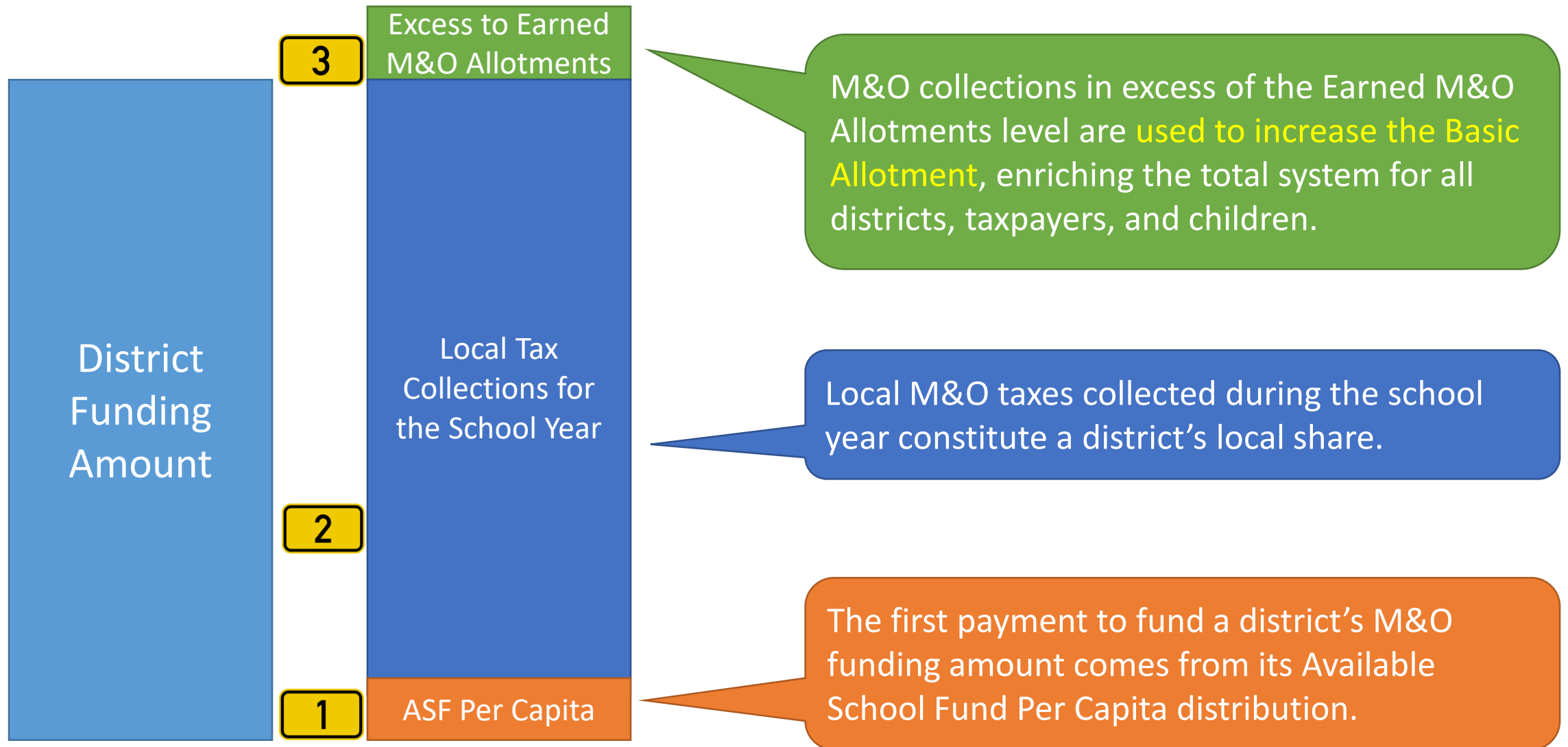
$$(\$1,000,000 \times 1.17) = \$1,170,000 + \$50,000 = \$1,220,000$$

For every 1 cent increase (or decrease) in tax effort, funding increases (or decreases) by 1%

Determining State/Local Funding for M&O



Determining M&O “Excess” for Property Wealthy Districts



Texas School Finance--FY 18 on a Cost Based Formula--BA \$5,583

Revenue per WADA Without Transportation

