

School Finance Summit Hot topics

Technology allotment

- Set at \$30 per student in average daily attendance (ADA)
- Method of finance – general revenue, Available School Fund, Telecommunications Infrastructure Fund (now expired)
- Rate can be amended in General Appropriations Act
- Cost to increase technology allotment to \$35/ADA = \$22.1 million in FY 2010 and \$22.5 million in FY 2011 [Figures corrected from original document]

Transportation allotment

- Rates have not changed since 1984
- In 2006–07, district spending on transportation was \$986.9 million and state spending = \$300.4 million, about 30% of actual costs
- Rates can be amended in General Appropriations Act
- Cost to double current transportation allotment = \$300.8 million in FY 2010 and \$311.4 million in FY 2011

Cost of education index (CEI)

- Adjusts funding for variations in costs
- Based largely on teacher salaries, also weighted by geographic location and the concentration of educationally disadvantaged students
- Last updated in 1990–91
- Changes in the CEI result in changes in the number of students in weighted average daily attendance
- Requires statutory amendment (TEC 42.102); currently, only the foundation school fund budget committee has authority to adopt the adjustment, but this committee has not existed for several years
- Cost to update CEI using existing model and current data = \$198.8 million in FY 2010 and \$206.7 million in FY 2011

Existing Debt Allotment/Instructional Facilities Allotment

- Equalizes I&S tax effort for the repayment of long-term debt
- Guaranteed yield set at \$35/penny/ADA since 1999
- Yield has not kept pace with property value growth
- Yield can be increased in General Appropriations Act
- Cost to increase yield by \$1 = \$53.3 million in FY 2010 and \$31.4 million in FY 2011

Note: Costs portrayed are estimates as of July 29, 2008

Inflation

- No existing inflation adjustment in school finance formulas
- No inflation index specific to public education in Texas
- No existing statutory language that addresses inflation; could amend TEC 42.2516 to authorize increases to the revenue target amounts
- Cost to increase revenue targets by 1% in first year of biennium and maintain increase through 2nd year = \$310 million in FY 2010 and \$317.3 million in FY 2011
- Cost to increase revenue targets by 1% each year of the biennium = \$311 million in FY 2010 and \$637.8 million in FY 2011

High school allotment

- First authorized in 2006; first year of funding was 2006–07
- May be used for a wide variety programs to increase high school completion and college readiness
- Requires statutory amendment (TEC 42.2516)
- Cost to increase high school allotment from \$275 per high school ADA to \$500/ADA = \$269.7 million in FY 2011 and \$274.6 million in FY 2011

Mid-sized adjustment

- Adjustment applies to schools between 1,600 and 5,000 ADA, except for Chapter 41 districts
- Application of this adjustment results in a higher calculated WADA
- Requires statutory change (TEC 42.103(e)).
- Cost to extend the mid-sized adjustment to Chapter 41 districts = \$45.8 million in FY 2010 and \$51.5 million in FY 2011.

Access 5th and 6th golden pennies

- Provides enriched yield on tax effort up to 6 cents above the compressed tax rate
- Requires statutory change (Tax Code 26.08(n)(2)(B)(ii)).
- Costs projections for Foundation School Program include these pennies of tax effort

Teacher salary increases

- Minimum salaries for classroom teachers, full-time nurses, full-time counselors, and full-time librarians (MSS employees) are established by statute
- Amendments to minimum salary schedule require statutory change (TEC 21.402)
- Cost to increase salaries for MSS employees by \$1,000/year = \$359.9 million for salaries and \$23.4 million in TRS benefits for a total of \$383.3 million in FY 2010; \$366.4 million in for salaries and \$23.8 million in TRS benefits for a total of \$390.2 million in FY 2011