



Public School Finance

According to a recent poll, Texans say education is the most important issue for the governor and Texas Legislature to address and that they bear the greatest responsibility for improving public education.¹ School finance is consistently a top priority for members of the Texas Association of School Administrators (TASA); this document is intended to provide useful information for administrators and legislators to discuss school finance during the 86th legislative session.

Facts on Student Enrollment

Enrollment in Texas public schools increased by 18.8 percent between 2004 and 2014, more than six times the increase across the United States (3.1 percent) during this same time period. This dramatic increase in statewide public school enrollment was the second-highest in the nation, behind Utah (26.6 percent).²

Facts on School Funding

- ▶ Statewide taxable values *increased* from \$1.712 trillion to \$2.389 trillion from FY 2010 to FY 2018.
- ▶ The number of school districts taxing at the maximum maintenance and operation (M&O) tax rate of \$1.17 increased from 179 to 401 from FY 2010 to FY 2018.
- ▶ Increases in the Basic Allotment have increased less than 1 percent each year — from \$4,765 in 2009-10 to \$5,140 in 2017-18.
- ▶ School district property taxes recaptured by the state have increased dramatically — more than doubling since the 2013-14 school year. The state is collecting \$4.5 billion from school districts in recaptured funds for the 2018-19 biennium.
- ▶ State aid for the Foundation School Program (FSP) has decreased from \$16.7 billion in the 2009-10 school year to \$15.7 billion in 2018-19.
- ▶ Student attendance (ADA) has increased every school year. (Note: Student enrollment is the total number of students eligible to attend school, and ADA is based on the how often the students actually attend a school.)

- ▶ State aid per student (ADA) has dropped from \$3,840 in the 2009-10 school year to \$3,253 in the 2018-19 school year.

Recapture – Robin Hood

Two hundred thirteen school districts are expected to pay recapture in 2019, up from 125 in 2004. Recapture as a percentage of total M&O during this period increased to 6 percent from 4 percent.³

State's Share of Foundation School Program

The state share of funding public education through the Foundation School Program (FSP) has steadily declined since 2014 when it was 45 percent. The Legislative Budget Board projects the state share of public education funding through the FSP will be only 38 percent for FY 2019.

Charter School Facts

- ▶ Charter schools are expected to receive 16.8 percent of state aid while only educating 6.4 percent of students in ADA in 2019.⁴
- ▶ The number of charter campuses has increased from 558 in 2010-11 to 707 in 2017-18.⁵
- ▶ In 2017-18, enrollment in open-enrollment charter campuses increased from the previous year by 8.6 percent.⁶
- ▶ The number of students enrolled in charter schools has increased since 2010, resulting in an increase in the state share of funding for these students.⁷

Charts included on pages 2-3.

¹ [Texas Public Education Perceptions Poll](#), Raise Your Hand Texas

² [Fiscal Size Up 2018-19](#), Legislative Budget Board

³ [Fiscal Size Up 2018-19](#), Legislative Budget Board

⁴ [Fiscal Size Up 2018-19](#), Figure 157, Legislative Budget Board

⁵ [TEA Pocket Edition](#)

⁶ [Enrollment in Texas Public Schools, 2017-18 \(August 2018\) PDF](#), Texas Education Agency

⁷ [Fiscal Size Up 2018-19](#), Legislative Budget Board



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FISCAL YEAR	SCHOOL YEAR	SCHOOL DISTRICT STATEWIDE TAXABLE VALUES ⁸ (TRILLIONS)	NUMBER OF SCHOOL DISTRICTS WITH M&O TAX RATES AT \$1.17 ⁹	AMOUNT OF BASIC ALLOTMENT ¹⁰	SCHOOL DISTRICT PROPERTY TAXES RECAPTURED BY THE STATE (BILLIONS) ¹¹	STATE AID FOR SCHOOL DISTRICTS' FOUNDATION SCHOOL PROGRAM (BILLIONS) ¹²	SCHOOL DISTRICT STUDENTS' AVERAGE DAILY ATTENDANCE (ADA)	SCHOOL DISTRICT STATE AID PER STUDENT ADA
2010	2009-10	1.712 T	179	\$4,765	\$1.0512 B	\$16.7704 B	4,366,743	\$3,840
2011	2010-11	1.669 T	215	\$4,765	\$1.0453 B	\$17.5869 B	4,438,740	\$3,962
2012	2011-12	1.690 T	249	\$4,765	\$1.0898 B	\$16.2157 B	4,493,101	\$3,609
2013	2012-13	1.768 T	246	\$4,765	\$1.0693 B	\$16.0884 B	4,535,396	\$3,547
2014	2013-14	1.872 T	289	\$4,950	\$1.2128 B	\$17.2113 B	4,594,786	\$3,746
2015	2014-15	2.036 T	286	\$5,040	\$1.4926 B	\$16.9858 B	4,646,098	\$3,655
2016	2015-16	2.124 T	329	\$5,140	\$1.5875 B	\$17.8424 B	4,695,722	\$3,800
2017	2016-17	2.229 T	369	\$5,140	\$1.7318 B	\$17.0716 B	4,720,459	\$3,617
2018	2017-18	2.389 T	401	\$5,140	\$2.0470 B	\$16.5717 B	4,788,015	\$3,461
2019	2018-19			\$5,140	\$2.5078 B	\$15.7348 B	4,836,308	\$3,253
		TAXABLE VALUES ROSE	DISTRICTS AT MAX TAX RATE ROSE	BASIC ALLOTMENT <1%/YEAR	RECAPTURE DOUBLED IN FIVE YEARS	STATE AID DROPPED	STUDENT ENROLLMENT ROSE	STATE AID PER STUDENT DROPPED

⁸ [Comptroller Statewide Property Value Study](#), amount of “total taxable value”

⁹ [School District Property Values and Tax Rates, School District Adopted M&O and I&S tax rates for 2006-2018](#), Texas Education Agency. The number includes a few districts above \$1.17 as well.

¹⁰ [Texas Education Agency Update](#), February 2018

¹¹ [Fiscal Size Up 2018-19](#), Figure 156, Legislative Budget Board

¹² Foundation School Program State Aid and Average Daily Attendance for School Districts and Charter Schools, 2010-19, Legislative Budget Board. School District Students' ADA and School District State Aid per Student ADA also are from the same chart. Numbers for Fiscal Year 2017 are estimated and for Fiscal Years 2018-19 are projected, with NIFA funding shown as school district state aid because NIFA recipients were unknown at the time of the projection.



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Foundation School Program State Aid and Average Daily Attendance for School Districts and Charter Schools, Fiscal Years 2010-19

Fiscal Year	Foundation School Program State Aid					Average Daily Attendance (ADA)					
	School Districts		Charter Schools		Total State Aid	School Districts		Charter Schools		School Districts State Aid per ADA	Charter Schools State Aid per ADA
	State Aid	Percent of State Aid	State Aid	Percent of State Aid		ADA	Percent of ADA	ADA	Percent of ADA		
2010	\$16,770,367,398	94.7%	\$937,190,104	5.3%	\$17,707,557,502	4,366,743	97.7%	103,404	2.3%	\$3,840	\$9,063
2011	\$17,586,860,410	94.3%	\$1,057,837,974	5.7%	\$18,644,698,384	4,438,740	97.4%	116,968	2.6%	\$3,962	\$9,044
2012	\$16,215,699,085	93.3%	\$1,172,111,592	6.7%	\$17,387,810,677	4,493,101	97.0%	139,049	3.0%	\$3,609	\$8,429
2013	\$16,088,363,719	92.4%	\$1,327,051,200	7.6%	\$17,415,414,919	4,535,396	96.6%	161,846	3.4%	\$3,547	\$8,199
2014	\$17,211,307,679	91.7%	\$1,561,309,645	8.3%	\$18,772,617,324	4,594,786	96.2%	183,228	3.8%	\$3,746	\$8,521
2015	\$16,985,848,955	90.5%	\$1,793,207,321	9.5%	\$18,779,056,276	4,646,098	95.7%	207,003	4.3%	\$3,656	\$8,663
2016	\$17,842,355,272	89.8%	\$2,030,911,327	10.2%	\$19,873,266,599	4,695,722	95.4%	226,771	4.6%	\$3,800	\$8,956
2017*	\$17,071,575,636	88.3%	\$2,264,950,374	11.7%	\$19,336,526,010	4,720,459	94.9%	251,917	5.1%	\$3,617	\$8,991
2018**	\$16,571,678,632	86.2%	\$2,658,035,673	13.8%	\$19,229,714,305	4,788,015	94.3%	287,926	5.7%	\$3,461	\$9,232
2019**	\$15,734,829,107	83.5%	\$3,108,961,504	16.5%	\$18,843,790,611	4,836,308	93.6%	329,991	6.4%	\$3,253	\$9,421

*Fiscal year 2017 is estimated.
**Fiscal years 2018 and 2019 are projected.

NOTE: Because the recipients of the New Instructional Facilities Allotment in both fiscal year 2018 and 2019 are not yet known, funding is reflected entirely as school district state aid in each fiscal year.

State and Local Share of Foundation School Program Entitlement (in millions) and State Share Percentage Fiscal Years 2007 - 2019

Fiscal Year	Local	State	Total	% State Share
2007	\$20,230.6	\$13,306.0	\$33,536.6	39.7%
2008	\$18,204.9	\$17,141.6	\$35,346.6	48.5%
2009	\$19,722.9	\$16,471.0	\$36,193.9	45.5%
2010	\$20,285.5	\$17,707.6	\$37,993.0	46.6%
2011	\$20,189.0	\$18,644.7	\$38,833.7	48.0%
2012	\$20,486.4	\$17,387.8	\$37,874.3	45.9%
2013	\$21,357.8	\$17,415.4	\$38,773.2	44.9%
2014	\$22,816.5	\$18,772.6	\$41,589.1	45.1%
2015	\$24,432.0	\$18,779.1	\$43,211.0	43.5%
2016	\$25,567.9	\$19,782.7	\$45,350.5	43.6%
2017	\$27,048.1	\$19,377.6	\$46,425.8	41.7%
2018	\$28,800.8	\$19,048.3	\$47,849.1	39.8%
2019	\$30,603.2	\$18,542.6	\$49,145.9	37.7%

NOTES:

- 1) Fiscal years 2017-19 are estimated based on the Conference Committee Report for Senate Bill 1.
- 2) Local share amounts reflected above include recapture revenue.
- 3) In fiscal years 2010 and 2011, \$1,625.0 million in funds identified as state dollars were financed with federal State Fiscal Stabilization Funds provided in accordance with the federal American Recovery and Reinvestment Act of 2009.