

# The Operation of Texas School Finance in Boerne ISD

Amanda Brownson

# The Funding Challenge

- More than 1000 school districts
- Enrollment ranges from <10 to >180,000 students
  - 53 districts have more than 25,000 students
  - 400 districts have less than 500 students
- Economically disadvantaged ranges from <1% to 100% of students
- Property wealth per student in average daily attendance
  - 37 districts <\$164,000
  - 86 districts >\$1,892,208



# Some School Finance Terms

- Average Daily Attendance (ADA): The number of students who show up to school each day, on average
- Weighted Average Daily Attendance (WADA): ADA, weighted for the factors recognized in the FSP that bring additional costs and revenue (size, student program participation and demographics)
- Maximum Compressed Tax Rate (MCR): The tax rate a district must adopt in order to avoid a reduction in base funding. It is calculated by TEA based on locally reported property values.

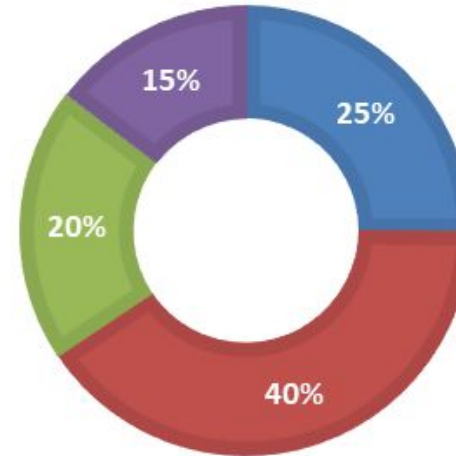


# 2024 TASBO School Finance Survey

- 337 responses representing 313 districts.
- Those districts educate 54% of the state's students.
- Small, medium, and large districts are represented.

RESPONDENTS BY DISTRICT SIZE

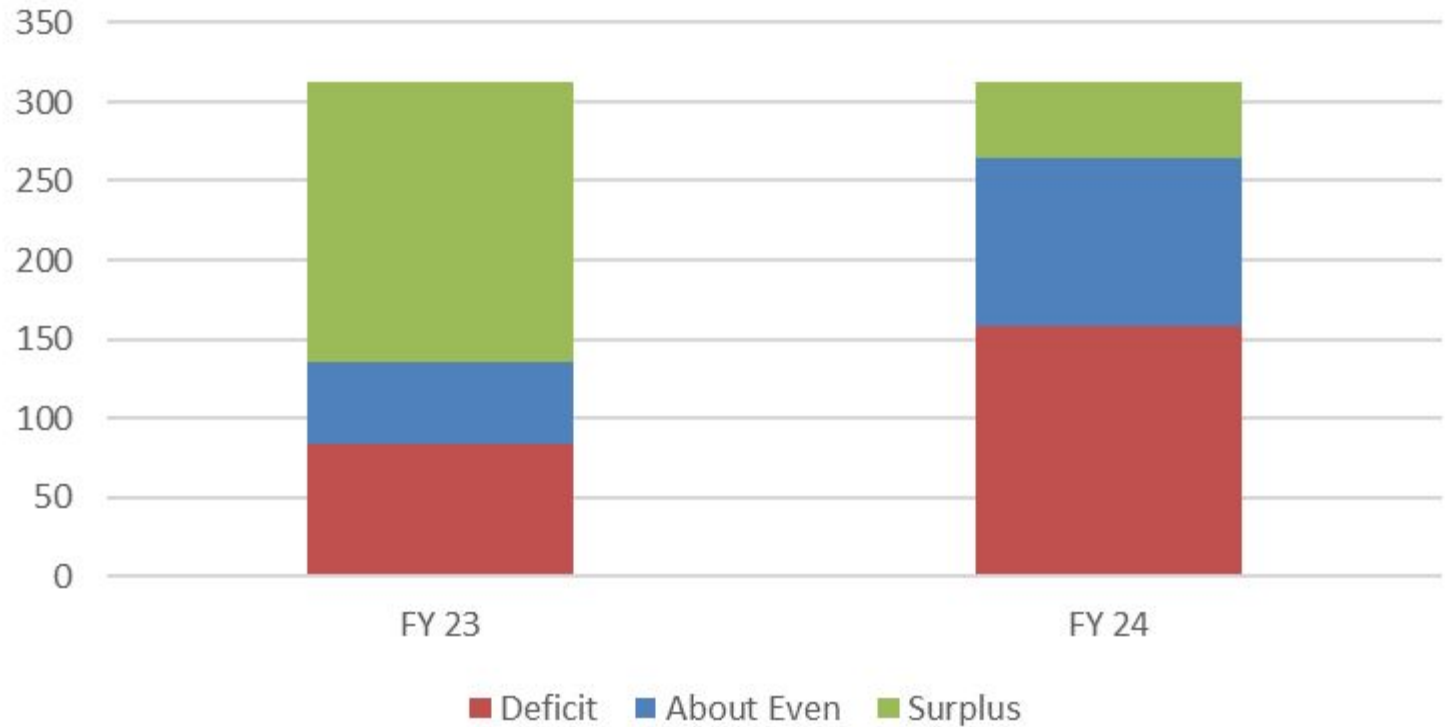
■ Less than 1000 ■ 1000 to 5,000 ■ 5,000 to 15,000 ■ 15000 or more



# Deficit Budgets

Although less than 1/3 of districts reported a deficit budget for closing FY 23, more than half expect to end FY 24 in a deficit.

Ending Position for FY 23 and FY 24



# Budget Plans for FY 2025

	Anticipate Using Fund Balance	Do Not Anticipate Using Fund Balance
Will Need to Make Budget Cuts	177 (56.5%)	51 (16.3%)
Will Not Need to Make Budget Cuts	54 (17.3%)	31 (9.9%)



# Some School Finance Terms

- Tier 1: The Foundation Tier of the Foundation School Program. It is supposed to cover the basic program of education, and is financed through Tier 1 tax collections (associated with the MCR) and state aid.
- Tier 2: The “Enrichment” portion of the Foundation School Program. It is supposed to cover additional services, and is financed through local tax revenue from any pennies the board adopts over and above the MCR and state aid.
- “Golden Pennies”: The first 8 pennies of M&O tax rate above the MCR. Five are available by action of the board of trustees, and the remaining 3 with voter approval.



# Foundation School Program (FSP)

Texas' system for distributing state aid to public schools

- FSP is like a cup – each district gets one.
- The size of a district's cup is determined by several factors:
  - Number of students who come to school each day (ADA)
  - Legislatively determined funding amount per student (Basic Allotment)
  - Characteristics of students and the services they receive (Additional Allotments)
- FSP is funded through a combination of state aid and local tax revenue.
  - District property wealth determines how much of the cup is filled with local property taxes and how much is filled with state aid.





# Recapture

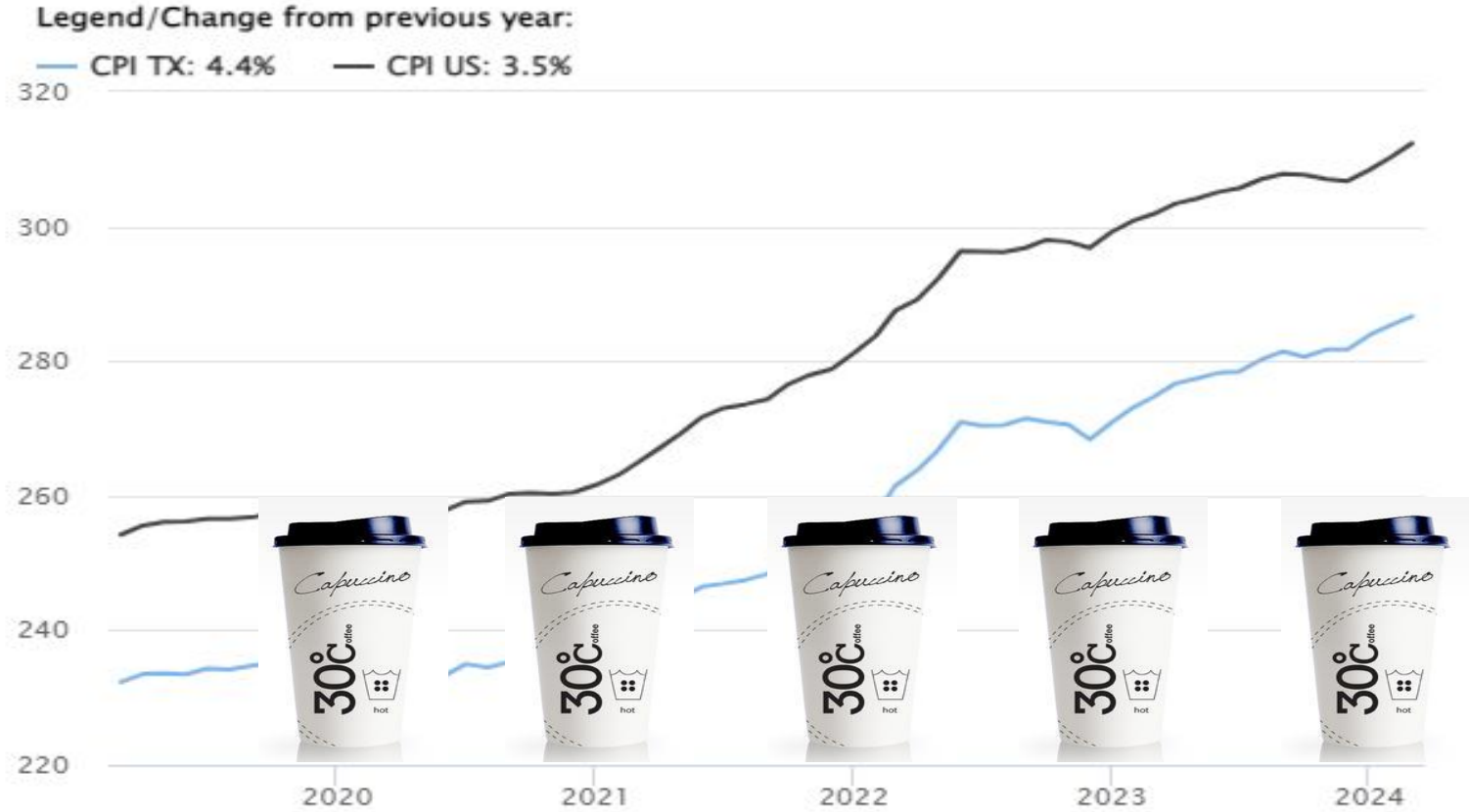
## Boerne ISD and Statewide Total

	Boerne ISD	State Total
2020-2021	\$2,093,576	\$2,964,091,002
2021-2022	\$0	\$3,006,334,273
2022-2023	\$7,436,798	\$4,542,546,126
2023-2024	\$0	\$2,676,704,474



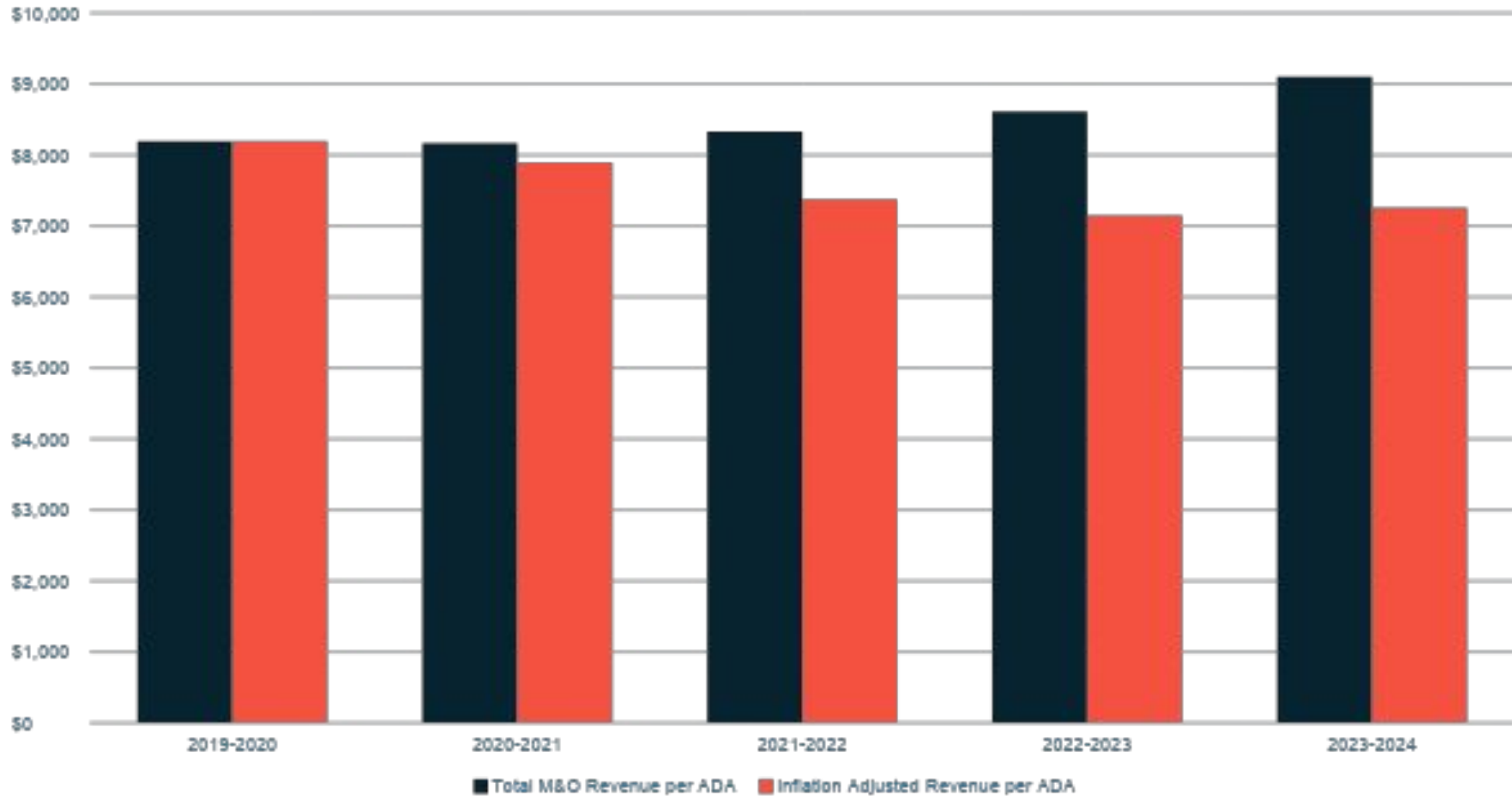
# Inflation

As costs rise,  
legislative action  
is required to  
allow districts to  
keep pace



\*Excluding food and energy  
Source: US Bureau of Labor Statistics and Comptroller of Public Accounts,  
based on data provided by Bureau of Labor Statistics





# FY 2024 Near Final Summary of Finance Data

## Nearby Districts

District	FSP Revenue per ADA	Accessed All Golden Pennies?	WADA	ADA	WADA / ADA
COMFORT ISD	\$14,148	No	1,775	981	1.81
SAN ANTONIO ISD	\$12,029	Yes	59,414	37,510	1.58
JUDSON ISD	\$10,084	No	31,677	21,227	1.49
NORTH EAST ISD	\$9,522	No	72,406	52,287	1.38
NORTHSIDE ISD	\$9,349	No	126,073	92,240	1.37
BOERNE ISD	\$9,101	No	13,445	10,250	1.31



# FY 2024 Near Final Summary of Finance Data

## Fast Growing Districts

District	FSP Revenue per ADA	All 8 Golden Pennies?	WADA	ADA	WADA / ADA
SOUTHWEST ISD	\$11,182	Yes	19,071	12,595	1.51
NAVARRO ISD	\$11,011	Yes	3,245	2,259	1.44
SEGUIN ISD	\$10,816	No	9,454	6,416	1.47
PFLUGERVILLE ISD	\$10,720	Yes	32,284	22,994	1.40
HUTTO ISD	\$10,700	Yes	13,278	9,312	1.43
GEORGETOWN ISD	\$10,414	Yes	17,294	12,420	1.39
MEDINA VALLEY ISD	\$9,995	No	11,598	7,966	1.46
LEANDER ISD	\$9,778	Yes	50,634	39,205	1.29

District	FSP Revenue per ADA	All 8 Golden Pennies?	WADA	ADA	WADA / ADA
HAYS CONS ISD	\$9,582	No	30,010	21,118	1.42
LIBERTY HILL ISD	\$9,571	No	11,361	8,250	1.38
SCHERTZ-CIBOLO- ISD	\$9,493	No	18,770	13,980	1.34
NEW BRAUNFELS ISD	\$9,444	Yes	11,787	8,955	1.32
DRIPPING SPRINGS ISD	\$9,391	Yes	9,807	7,847	1.25
LAKE TRAVIS ISD	\$9,317	Yes	12,989	10,491	1.24
COMAL ISD	\$9,228	Yes	36,966	27,212	1.36
BOERNE ISD	\$9,101	No	13,445	10,250	1.31



# FY 2024 Near Final Summary of Finance Data

## Similar Demographics

District	FSP Revenue per ADA	All 8 Golden Pennies?	WADA	ADA	WADA / ADA
DEL VALLE ISD	\$10,866	No	15,281.21	9,728.56	1.57
KERRVILLE ISD	\$9,874	No	6,161.67	4,294.78	1.43
ALAMO HEIGHTS ISD	\$9,575	Yes	5,476.97	4,318.40	1.27
ROUND ROCK ISD	\$9,412	Yes	49,985.81	38,346.04	1.30
BOERNE ISD	\$9,101	No	13,444.65	10,250.36	1.31



# Impact of the 88th Legislature

- School safety allotment
  - Increase from \$9.72 to \$10 per ADA
  - \$15,000 per campus
  - Requirement to employ an armed security officer at each campus
- Instructional materials
  - State-Approved Materials Allotment – \$40 per student enrolled
  - Open Education Resources (OER) Printing Allotment – up to \$20 per student enrolled
- Golden penny yield
  - FY 2023: \$ 98.56
  - FY 2024: \$126.21
  - FY 2025: \$129.52



# The 89<sup>th</sup> Legislature

- Bill filing begins November 11, 2024
- First Day of legislative session is January 14, 2025
- Last day of legislative session is June 2, 2025
- Special sessions always possible
- Many proposals will be considered, but the nature of the process typically pushes large important decisions to the end of the legislative session
- If the district has a structural deficit, there may not be time between June 2 and budget adoption for thoughtful reductions if cuts are required...







# Basic Allotment Increase – Cost Estimates

Assumes all other aspects of FSP remain current law

## State Cost and Related Implications per Various Increases in FSP Basic Allotment assumed to take effect in FY26

Basic Allotment (FY26 & Beyond)	Increase from Current Law	Annual State Cost (in billions)	Biennial State Cost (in billions)
\$6,260	\$100	\$0.735	\$1.5
\$6,360	\$200	\$1.470	\$2.9
\$6,460	\$300	\$2.200	\$4.4
\$6,560	\$400	\$2.960	\$5.9
\$6,660	\$500	\$3.7	\$7.4
\$6,760	\$600	\$4.4	\$8.8
\$6,910	\$750	\$5.6	\$11.2
\$7,160	\$1,000	\$7.4	\$14.8
\$7,500	\$1,340	\$9.9	\$19.8

Sources: Texas Education Agency: 2026 & 2027 Student Counts <https://tea.texas.gov/finance-and-grants/state-funding/additional-finance-resources/attendance-projections>  
Comptroller of Public Accounts: 9/30/2024 Estimated Statewide Property Value Growth Tax Years 2025 and 2026

# For More Information



## Texas School Finance Basics

Texas schools educate approximately 5.4 million students across more than 1200 school districts and charter schools.<sup>1</sup> The school finance system in Texas is known as the Foundation School Program (FSP). The annual cost to the FSP for maintenance and operations exceeds \$50 billion. The annual cost to support debt service on voter-approved bonds for construction and renovation approaches \$9 billion. The responsibility for these costs is shared between the state and the local school district. The local share is funded by local property taxes with state aid providing what the district cannot generate in taxes.<sup>2</sup>

State lawmakers have struggled for many years to create a system that works equally well across the vastly different contexts in which Texas students are educated. How, for example, can we create a single formula that provides the right level of resources for a small district with very few students as well as a very large urban district with nearly 200,000 students? Or for a district with relatively low taxable property wealth per student and a district with extremely high taxable property wealth per student? Or for a district where virtually no students participate in the free and reduced-price lunch program and a district where virtually all do?

[tasbo.org/uploads/files/general/Policy-and-Research/TASBO-Texas-School-Finance-Basics-2024.03.13.pdf](https://tasbo.org/uploads/files/general/Policy-and-Research/TASBO-Texas-School-Finance-Basics-2024.03.13.pdf)

