



# **Texas Education Agency**

**Fiscal Year 2020 – 2021**

**Legislative Appropriations Request**

**Submitted to the  
Governor's Office of Budget,  
Planning and Policy  
And the Legislative Budget Board**

**August 2018**

**703 Texas Education Agency**

GOAL: 1 Provide Education System Leadership, Guidance, and Resources  
 OBJECTIVE: 1 Public Education Excellence  
 STRATEGY: 1 Foundation School Program - Equalized Operations

Service Categories:

Service: 18      Income: A.2      Age: B.1

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>Method of Financing:</b>						
2	Available School Fund	\$1,921,002,950	\$1,027,006,486	\$2,416,943,046	\$900,425,282	\$1,828,237,732
193	Foundation School Fund	\$13,964,849,012	\$14,663,903,514	\$12,684,756,954	\$13,289,150,040	\$11,272,169,543
902	Lottery Proceeds	\$1,272,239,150	\$1,297,000,000	\$1,316,500,000	\$1,297,000,000	\$1,316,500,000
5159	Tax Rate Conversion	\$100,000,000	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$17,258,091,112</b>	<b>\$16,987,910,000</b>	<b>\$16,418,200,000</b>	<b>\$15,486,575,322</b>	<b>\$14,416,907,275</b>
<b>Method of Financing:</b>						
304	Property Tax Relief Fund	\$1,431,673,780	\$1,742,200,000	\$1,852,000,000	\$1,742,200,000	\$1,852,000,000
666	Appropriated Receipts	\$1,728,965,894	\$2,084,500,000	\$2,521,000,000	\$0	\$0
8905	Recapture Payments Atten Crdts	\$0	\$0	\$0	\$3,140,497,643	\$3,796,646,991
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$3,160,639,674</b>	<b>\$3,826,700,000</b>	<b>\$4,373,000,000</b>	<b>\$4,882,697,643</b>	<b>\$5,648,646,991</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$20,369,272,965</b>	<b>\$20,065,554,266</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>					<b>\$20,418,730,786</b>	<b>\$20,814,610,000</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>						

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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Chapter 42 of the Texas Education Code dictates that the agency determines formula allocations for the Foundation School Program and disburses these funds accordingly. The formula allocations and payments are constantly monitored to ensure that all school districts are receiving the correct amount of state aid. Chapter 41 of the Texas Education Code prescribes the mechanisms by which wealth equalization is achieved. Together, these efforts contribute to the state's goals for public school education; the agency's goal of program leadership, guidance, and resources; and the state benchmarks pertaining to increasing the high school graduation rate.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Factors that may affect this strategy are tied to the number of districts able to receive funds under the program and include local tax effort, student counts, and district property wealth. Internally, the agency's ability to support the administration of a school finance system will depend on adequate staffing and technological support in the applicable areas.

**3.A. Strategy Request**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

8/30/2018 9:56:12AM

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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$41,605,810,000	\$40,434,827,231	\$(1,170,982,769)	\$(715,286,518)	Foundation School Program changes in Available School Fund 0002.
			\$2,331,644,634	School districts have experienced growth in taxable property values. The trend is expected to continue into the next biennium, leading to increased Ch 41 recapture. MOFs 0666 and 8905.
			\$(34,600,000)	Recapture adjustment in FY 2018, MOF 0193.
			\$(150,000,000)	One time funding in the FY 2018/2019 biennium for Hardship Grants, MOF 0193.
			\$168,610,672	Increase in Small Sized District Adjustment in the FY 2020/2021 biennium, MOF 0193.
			\$60,000,000	Increase in Debt Allotment in the FY 2020/2021 biennium, MOF 0193.