

# Funded: Texas Report

## A Detailed Look at Texas's Funding Policies



## Texas



### Funding Basics

#### Formula Type

Texas has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students both by applying multipliers to the base amount to generate supplemental funding and by adding supplemental, flat dollar amounts to the base amount for certain students.

The categories of students generating supplemental funding in Texas are students in certain grade levels, low-income students, English language learners, students with disabilities, students identified as gifted, students enrolled in career and technical education programs, and students in sparsely populated, small, or mid-sized districts.

#### Base Amount

Texas has a fixed base funding amount per student. For FY2016, the per-student base was \$5,140.

This means that an average student with no special needs or disadvantages would be funded at that level. However, in order to receive the full complement of base funding that would be based on its enrollment, each district's school maintenance and operations (M&O) tax rate must be equal to or greater than two-thirds of the M&O tax rate it imposed in 2005. In districts whose current M&O taxes are lower than this rate, the base funding is reduced in proportion to the amount by which the tax rate falls short of that level.

#### Expected Local Share

Texas expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on its property values, adjusted based on that district's school funding history.

Each district is expected to contribute the lesser of \$10.00 for every thousand dollars of assessed local property wealth for the purpose of funding its schools or the revenue generated by a property tax rate equal to two-thirds of the rate imposed by the district in 2005. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

### Student Characteristics

#### Grade Level

Texas provides a greater amount of funding for students in grades 9-12 only. It does so in the form of a flat allocation in the amount of \$275 for each student in these grades.

## English Language Learner

Texas provides increased funding for English language learners. It does so by applying a multiplier of 1.1 to the base per-pupil amount for these students.

The number of students eligible for the supplemental funding is the number of full-time-equivalent students participating in bilingual or English as a Second Language programs.

## Student Poverty

Texas provides increased funding for students from low-income households. It does so by applying a multiplier of 1.2 to the base per-pupil amount for these students.

Students are eligible for this supplemental funding if they qualify for free or reduced-priced lunch (FRL) under the National School Lunch Program.

## Special Education

Texas funds special education using a multiple student weights system, providing different levels of funding for different categories of students. Students are assigned to 14 different categories based on the services they receive.

It does so by applying different multipliers to the base per-pupil amount for students in these categories. The multipliers range from 1.1 to 5.0, depending on the student's educational placements and the services they receive. The appropriate multiplier is applied to the base amount once that amount has already been adjusted for sparsity, small district size, and local cost of living. (See "Sparsity" for a description of that allocation.)

## Gifted

Texas provides additional resources for gifted and talented students. It does so by applying a multiplier of 1.12 to the base per-pupil amount for these students.

The number of students eligible for the supplemental funding is the number of full-time-equivalent students participating in gifted education programs, up to a maximum of 5% of the district's total student enrollment.

## Career and Technical Education

Texas provides specific funding for career and technical education programs. It does so by applying a multiplier of 1.35 to the base per-pupil amount for students in these programs.

The number of students eligible for the supplemental funding is the number of full-time-equivalent students participating career and technical education programs.



## Community Characteristics

### District Poverty

Texas does not provide increased funding based on the concentration of students from low-income households in a particular district.

## Sparsity and/or Small Size

Texas provides increased funding for sparse school districts by inflating the student count to generate extra funding. The state also provides funding for small and mid-sized school districts through a formula that increases the per-pupil based amount.

In sparse school districts, either 60, 75, or 130 additional pupil units are added to the student count, depending on the grade levels offered in the district, its students enrollment, and the number of miles between it and the nearest district operating a high school. In small districts, the base amount is increased using a formula that considers enrollment and whether the district has an area of more or less than 300 square miles. In mid-sized districts, the base amount is increased using a formula that considers enrollment.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

