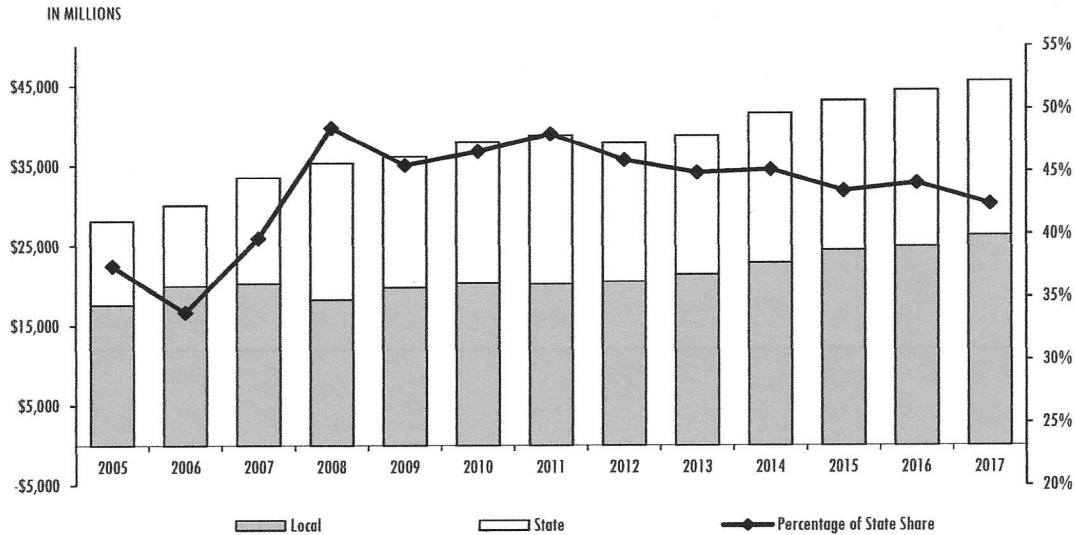


FIGURE 172
STATE AND LOCAL FOUNDATION SCHOOL PROGRAM FUNDING AND STATE SHARE PERCENTAGE
FISCAL YEARS 2005 TO 2017



NOTES:

- (1) 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.
 - (2) Fiscal years 2016 and 2017 are estimated.
 - (3) Local share amounts reflected above include recapture revenue.
- SOURCE: Legislative Budget Board.

Legislature in the Texas Education Code and sometimes further specified in the GAA. District information, including property values, level of tax effort, the number and type of students, and certain district characteristics are entered into these formulas to compute entitlement. As discussed previously, the portion of this entitlement that is not covered by eligible local revenue is funded with state aid.

MAINTENANCE AND OPERATIONS

The bulk of district entitlement for maintenance and operations flows through the funding formula element called the Basic Allotment, which is an amount of total state and local funding the state guarantees to districts per student in average daily attendance (ADA). This Basic Allotment is then adjusted for both district characteristics, such as an index to account for differing costs of education across school districts, and student characteristics, such as whether a student is determined to be entitled to bilingual education, compensatory education or special education services, among others. The additional funding earned by these student populations and by the district characteristics contribute to the calculation of an adjusted student count

for each school district, called weighted average daily attendance (WADA).

Since the calculation of WADA incorporates various student weights and district specific criteria, such as the differing costs of education across school districts, WADA is larger than ADA. On a statewide basis, across all school districts, one ADA will generally equal approximately 1.35 WADA, although this ratio may vary considerably by district as each has different student and district characteristics that will affect its WADA calculation. WADA is an important calculation in comparing FSP entitlement across school districts or FSP entitlement from one year to the next because it incorporates statutory adjustments (weights) intended to reflect cost associated with student and district characteristics. As a result, WADA, and not ADA, is generally used as the basis of comparison for FSP funding, as it incorporates the student and district formula adjustments that drive the FSP entitlement.

In fiscal year 2006, when districts were required to compress their property tax rates by one-third during a two-year