



# On a Path to Parity: Equity and Impact of Texas School Funding Policy for School Districts and Charter Schools

March 2021

Jennifer O'Neal Schiess

Max Marchitello

# Executive Summary

- Charter schools make up an increasingly large share of the education landscape nationally and in Texas, both serving ~6% of respective student populations, but the share of **public dollars used to fund charters varies significantly** across and within cities and states.
- **Disparities in funding are driven by complex, state-specific formulas** that flex based on student characteristics, the role of different revenue sources, and differences in policies across sectors, **often leaving charters relatively underfunded** compared to local district counterparts.
- In Texas, the **majority of public school funding flows through the Foundation School Program (FSP)**, which is funded by state and local dollars.
- Today, **on average**, the FSP formula achieves **near parity for district and charter schools' operations funding**, in part due to the impact of recent policy changes making charters eligible for the Small and Mid-Sized District Allotment. But a **large disparity persists between district and charter schools' facilities funding** despite Texas being one of only a few states to specifically fund charter facilities.
- **In reality**, however, given the wide range of variables in the funding formula that vary by location (student and district characteristics, local property wealth and tax structure, etc.), the **relative funding available to charters vs. districts varies by location**.
- Likely due to the evolving nature and complexity of how public funding is distributed to public schools, we have observed a **general lack of clarity and consensus** around the equity of funds invested in Texas charter schools.
- The **purpose of the report** that follows is to 1) build/clarify the reader's understanding of **how Texas' FSP funding formula works**, 2) illustrate **how the formula plays out** for districts and charter schools within Texas communities, and 3) highlight **key takeaways/emerging policy considerations** for how to further minimize funding disparities among districts and charters.

# Table of Contents

---

## *Introduction*

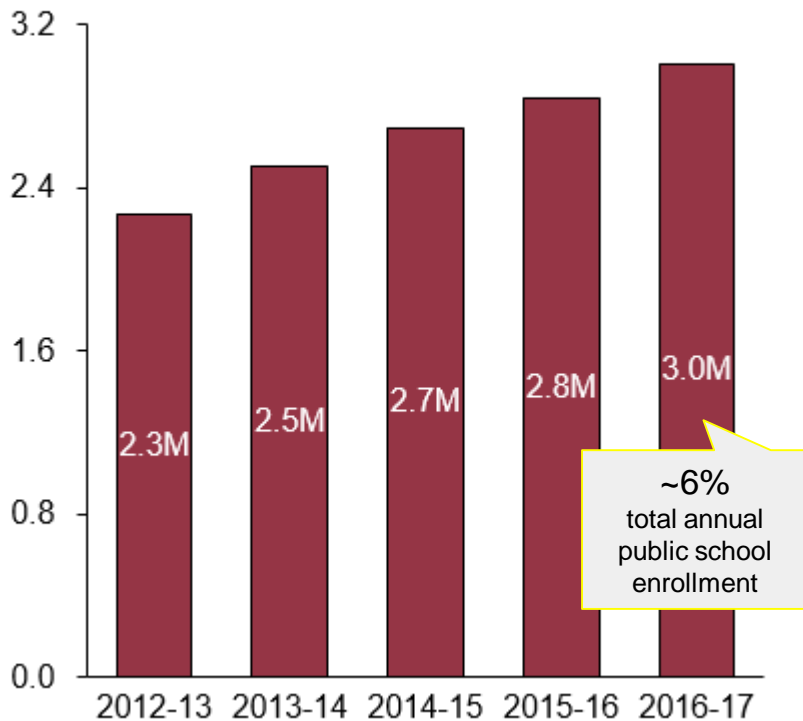
How the FSP Formula Works

Case Studies: How Funding Differences Play  
Out at the Local Level

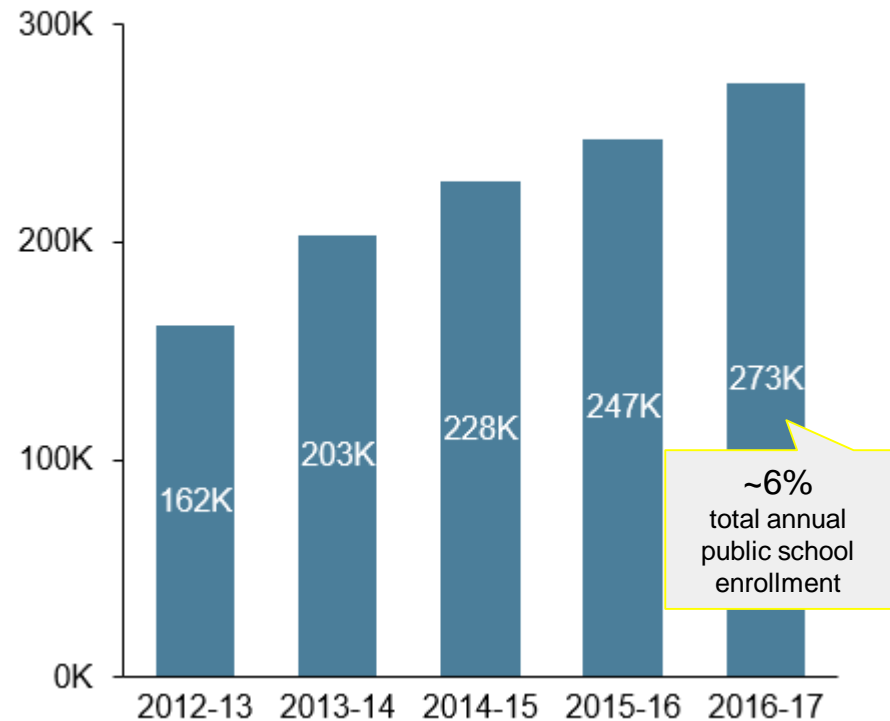
Key Takeaways and Policy Considerations

# Nationally and in Texas, charter schools have grown to serve ~6% of the public school student population

**National charter sector enrollment**  
2012-13 through 2016-17



**Texas charter sector enrollment**  
2012-13 through 2016-17



**Total Public School Enrollment**

~48.3M

(Grades K-12; SY16/17):

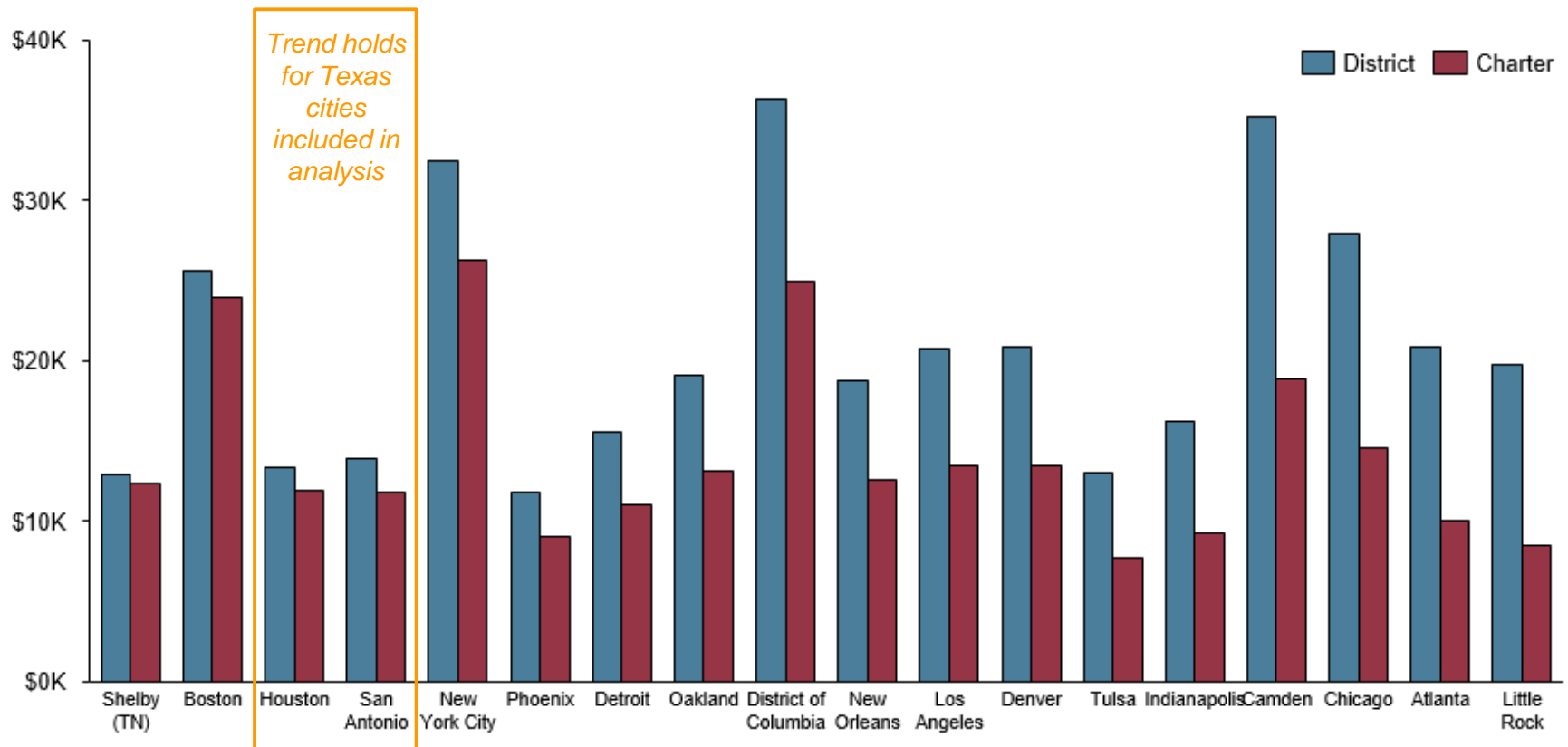
~4.6M

Source: National data provided by Jamison White, Jessica Snyderman, and Yueting Xu, "1. How Many Charter Schools and Students Are There?" [National Alliance for Public Charter Schools, November 13, 2020, https://data.publiccharters.org/digest/charter-school-data-digest/how-many-charter-schools-and-students-are-there/](https://data.publiccharters.org/digest/charter-school-data-digest/how-many-charter-schools-and-students-are-there/) and calculations conducted by Bellwether; "Academic Accountability," Texas Education Agency, <https://tea.texas.gov/texas-schools/accountability/academic-accountability> and calculations conducted by Bellwether; U.S. Census.

# Despite all being public schools, relative funding for charters and districts varies nationwide

## Large Gaps in Funding Between Districts and Charters Exist in Some Cities Where Charters Are Most Prevalent

Total revenue per student, by school type (2017-18)



# Common drivers of funding differences across states include student characteristics, funding sources, and facilities policies

## What drives differences between district and charter funding?

### Student/ District Characteristics

- State funding systems often entitle schools serving students with characteristics linked to higher instructional costs (i.e., low income, bilingual education, special education) to additional funds.
- In many communities, charters and districts serve different subsets of the population, with varying levels of eligibility for additional funding.

### Funding Sources

- Public schools are funded primarily with a blend of state and local funds.
- Most school districts generate revenue from local property taxes in addition to state funds; access to local funds varies based on local property values, local taxing decisions, and state tax policy.
- Charter schools cannot levy local taxes and are often primarily dependent on state funds — which may not fully account for the lack of access to local revenues.

### Facilities

- In most states, school districts fund facilities construction/ improvement by issuing bonds, paid for with state and local taxes.
- Only 10 states provide charter schools with significant access to facilities support, requiring most charters to fund the cost of instructional facilities through operations funding or other sources.

A charter and a district serving the **same geography may have very different levels and types of revenue**, particularly if they enroll different subsets of the local population and/or are located in an area of relatively high/low property wealth.

Often, **district schools receive support for expensive facilities costs** that charters do not.

# In Texas, recent policy changes mitigate disparities in funding between charters and districts on average

## Small and Mid-Sized District Allotment (SMA)

In 2019, the state legislature revised the functionality and eligibility for of the SMA, a policy aimed at minimizing impacts of scale on district/school sustainability and funding available per pupil to invest in instruction. The revised SMA provides:

- Districts with <5K students tiered funding based on enrollment\*
- New eligibility for charters to receive a per-student amount based on average funding for districts eligible for the allotment statewide

*\$300M in new revenues for charter schools statewide*

## Facilities Allotment

In 2018-19, charter schools became eligible for a charter facilities funding allotment, making Texas one of only 10 states to provide significant facilities funding for charter schools.

- Eligible charters receive ~\$200/student to support facilities costs

*\$60M in new revenues for charter schools statewide*

# Still, perhaps due to the complexity of funding formulas in Texas, clarity/consensus around equity of funding remains low



The funding formula and interplay between state and local revenues are highly complex, making it **difficult to define/describe outcomes accurately and clearly at a high level.**

- The funding formula considers and weighs an array of student and district variables that differ by location.
- Because local revenues are a function of local property wealth and tax structure, availability of funds also varies by location.



Nonetheless, **conversation about funding in districts vs. charters abounds** in the education and political spheres. To inform the ongoing conversation, attempts have been made by numerous, credible sources to compare charter vs. district funding.



Due to the complex nature of the formula, each of those analyses is founded on a set of assumptions about students and districts served. These **assumptions vary across analyses** — resulting in different outcomes that often can't be compared directly.



# This report aims to clarify how the funding formula works to inform the ongoing conversation about equity of funding

---

*Our goal is to add to the conversation in three ways:*

1

Build/clarify the reader's understanding of **how Texas's funding formula works**, in the context of recent policy changes

2

Illustrate **how the funding formula plays out** for district vs. charter schools **at the local level**, across several representative Texas locations

3

Highlight key takeaways and emerging policy considerations for **how to minimize funding disparities** among districts and charters in Texas

# Table of Contents

---

Introduction

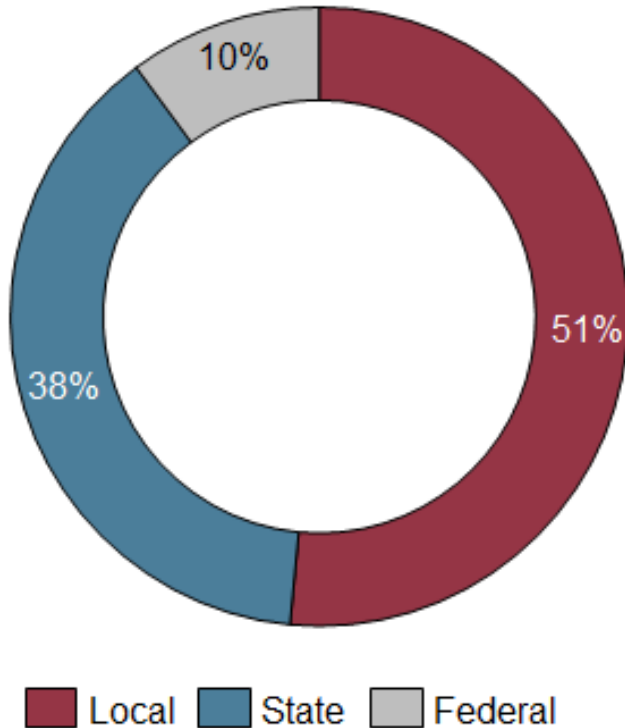
*How the FSP Formula Works*

Case Studies: How Funding Differences Play  
Out at the Local Level

Key Takeaways and Policy Considerations

# In Texas, charter and district schools are largely funded with state and local funds; most funding flows through the FSP

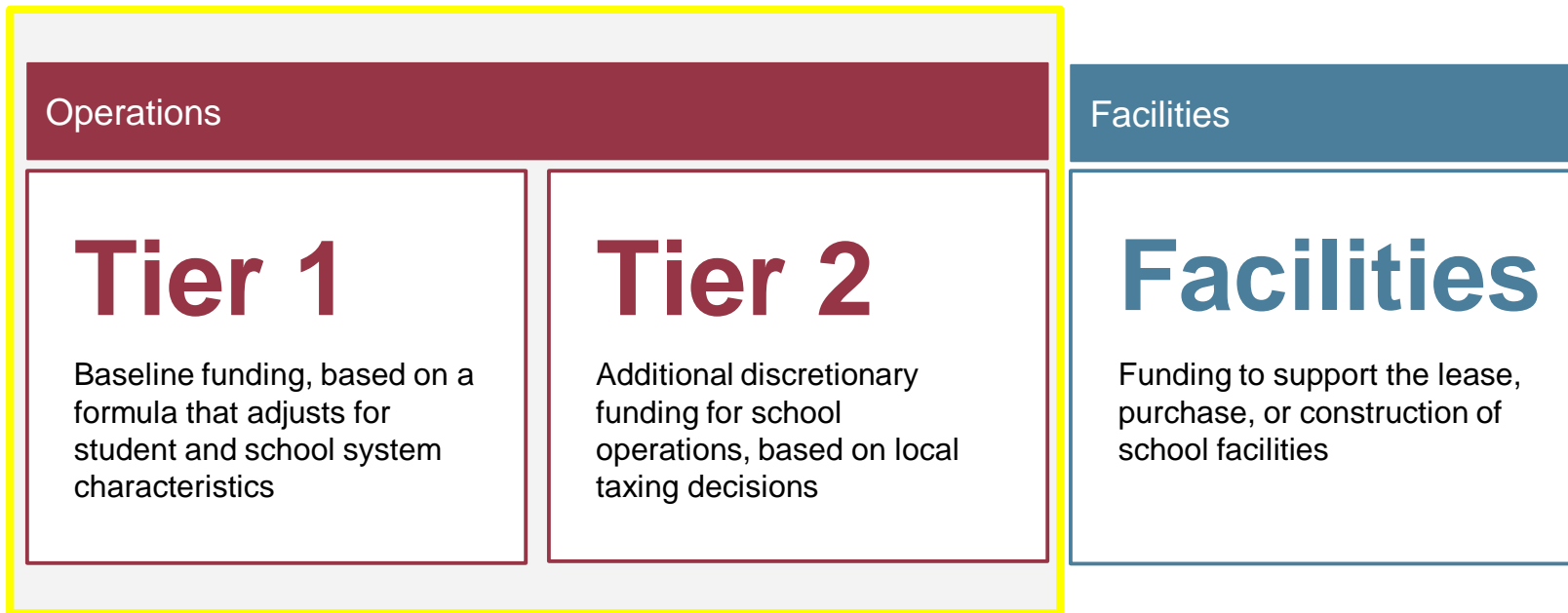
Texas Public School Funding by Source, 2016-17 School Year



- In Texas, state and local revenues make up **90% of school funding**
- Most state/local funding flows to districts and charters through the **Foundation School Program (FSP)**
- The purpose of the FSP is to ensure that all school systems receive “**substantially equal access to similar revenue per student, at a similar tax effort**”
- The FSP allocates funding based on **number of students served**, their learning needs/**characteristics**, and the availability of local property **tax revenue**, among other factors

Source: [TEA](#); U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey (State Fiscal)", 2016-17 v.1a; "State Nonfiscal Public Elementary/Secondary Education Survey", 2018-19 v.1a.; Percentages may not sum to 100% due to rounding.

# The FSP allocates ~\$26B in operations and facilities funding annually through three formula structures



# The FSP supports operations funding via two mechanisms: Tier 1 and Tier 2

## Tier 1

Baseline funding, based on a formula that adjusts for student and school system characteristics



- 91% of funding for school operations on average
- Average Tier 1 per student: \$6,212

## Tier 2

Additional discretionary funding for school operations, based on local taxing decisions and property values



- 9% of funding for school operations on average
- Average Tier 2 per student: \$647

# Tier 1 Overview

- Tier 1 makes up the **majority of public funding** available to districts and charters; the formula aims to **equitably distribute funds based on student learning needs and local conditions**:
  - Tier 1 begins with the same basic allotment per student, *and*
  - Adjusts that basic level of funding for additional instructional costs for each district/charter tied to: student characteristics and learning needs, district characteristics, and participation in programs associated with higher educational costs.
- Tier 1 entitlement **is funded via a mix of state and local sources**; the relative amount of state vs. local funds for a particular district depends on local property values.
- Charter schools and school districts are **treated very similarly in Tier 1**, but there are a **few differences**.
  - **Funding sources**: Charter schools receive 100% of their Tier 1 funding from the state, whereas districts fund at least a portion of their Tier 1 entitlement with revenues from local property taxes.
  - **Funding eligibility**: Charters are not eligible for the Fast Growth Allotment, and not all districts are eligible for the Small and Mid-Sized District Allotment.

# Tier 1 makes up the majority of public school funding; formula design is meant to equitably match funds with student needs



***The Tier 1 formula results in each district's or charter's **Tier 1 entitlement**. Differences in the instructional needs of the particular students served by a given district or charter drive differences in their Tier 1 entitlements.***

# How are students counted for funding purposes? What is WADA? Why does it matter?

Texas schools count and report the number of students served based on average daily attendance (ADA). ADA is a critical input into the FSP formulas. Accounting for differences in instructional cost produces a second important “count”: weighted average daily attendance (WADA).

## Average Daily Attendance (ADA)

Average number of students attending school during each day of the year (similar to total enrollment\*)

*Students have diverse learning needs that require varying levels of instructional investment to equitably address. State policy considers these and other factors in determining total Tier 1 entitlement, increasing funding incrementally through funding “weights” to account for cost differences tied to specific programs and characteristics.*

## Weighted Average Daily Attendance (WADA)

An adjusted student count that accounts for the unique student learning needs and other factors for each district or charter that are recognized in state funding policy.

\*ADA differs from enrollment because not every student is present every day; funding is distributed based on ADA to reflect students served on a daily basis and to incentivize attendance.



# Adjusting student counts for funding weights enables an apples-to-apples comparison of operations funding between schools

Imagine you have two schools that each serve one student with perfect attendance  
(1 ADA) ...

## East Elementary School

Ramon at East Elementary participates in no special programs and does not have demographic characteristics that generate additional formula funding in Tier 1

East Elementary receives the basic allotment, or \$6,160, to support Ramon's instruction ( $\$6,160 \times 1$ )\*

## West Elementary School

Carol at West Elementary participates in the bilingual education program, which qualifies for a funding weight of 0.2 on top of the basic allotment

Carol's school receives \$7,392 to support Carol's instruction ( $\$6,160 \times 1.2$ )\*

West Elementary receives more funding per **ADA** than East Elementary.

But if we adjust each school's student count for the difference in cost of supporting Carol's needs (1.2) versus Ramon's (1), East and West Elementary each receive the same amount of funding per **weighted student (WADA)**.

**Comparing school operations funding based on WADA vs. ADA allows us to adjust for the differences in cost that state policy recognizes through formula weights.**

\*Example is purely illustrative, does not refer to actual students or schools, and does not account for the full range of allotments and district-based adjustments in Tier 1 (referenced on Slide 15). For a complete list of Tier 1 allotments and weights, see Appendix A.

# In Texas, charters and districts often serve different populations, with different weights in the funding formula

<b>Statewide:</b>	<b>School Districts</b>	<b>Charter Schools</b>	<b>Charter Difference</b>
Economically Disadvantaged	59.5%	70.8%	+11.3
At-risk	50.5%	51.6%	+1.1
Bilingual	19.9%	30.0%	+10.1
Special Education	15.2%	6.7%	-8.5
Career & Tech. (CTE)	10.9%	7.8%	-3.1
ADA	4.6M	0.3M	6.1% total
WADA	6.5M	0.5M	6.6% total
ADA: WADA Ratio	1.40	1.54	+0.14

***Because of differences in the populations of students served between charters and districts that affect instructional cost, to compare operations funding between sectors, we use WADA in the remainder of this analysis.***

# Texas leverages a mix of state and local revenue streams to fund Tier 1 for districts and charters

## Revenue Streams That Fund Tier 1

### Local Property Tax Revenue

- Districts levy local property taxes to fund a portion of the Tier 1 entitlement; amount of revenue available is determined by the standard Tier 1 tax rate applied to local property values.
- Charters are not eligible to levy property taxes as they do not serve specific geographic districts.

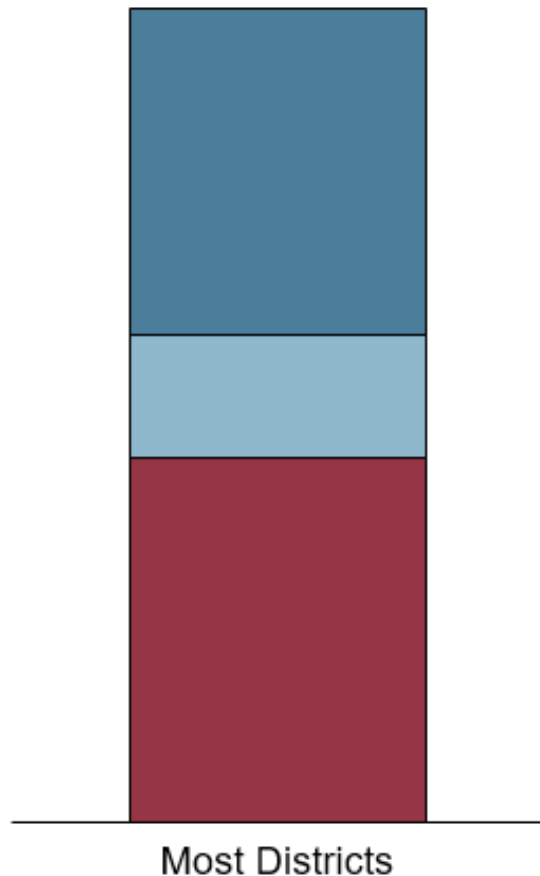
### State Revenue

- Several state funds collectively fund the state's share of the FSP.
- The Available School Fund (ASF) is a constitutionally dedicated state fund, which distributes funds to all districts and charters on a per-student basis each year that partially funds Tier 1.
- After local revenues and ASF are accounted for, any remaining balance in Tier 1 entitlement is covered by state general revenue and other state funds.

**How these funding streams interact at the local level varies based on local property values. The following three slides explore the impact for most districts, for property wealthy districts, and for charters.**

# For most districts, Tier 1 is funded via a mix of state and local revenues

## Total Tier 1 Entitlement by Revenue Stream (illustrative only)



**Other State Revenue** makes up the balance not funded from local sources or ASF so that the district receives its full entitlement regardless of local tax status.

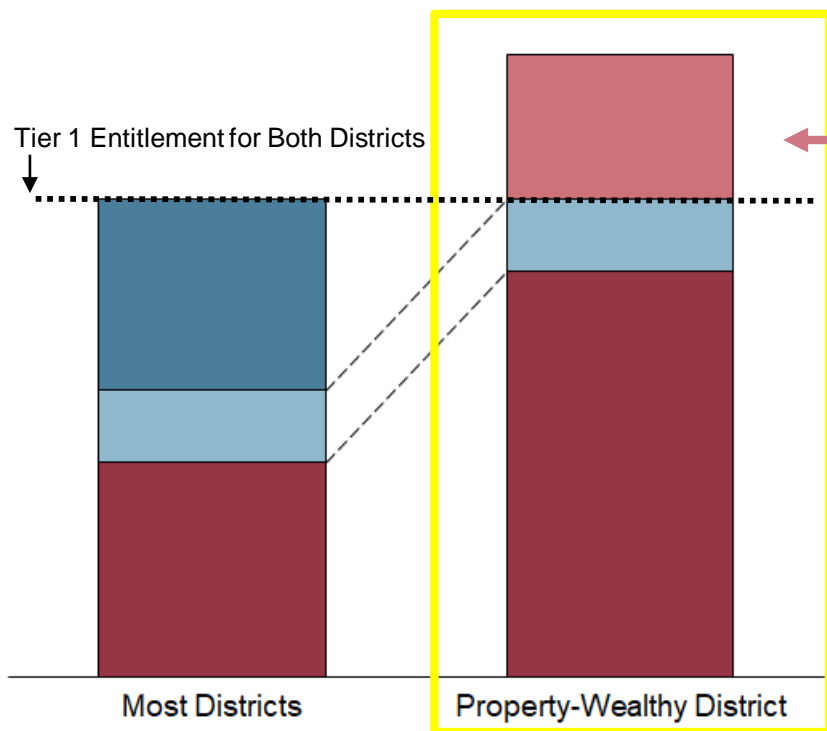
**State ASF** includes the annual distribution, allocated to all districts and charters on a per-student basis.

**Local Tax Revenue** includes total revenue generated at the Tier 1 tax rate in the district. (For 2019-20, the Tier 1 tax rate was \$0.93 per \$100 of local property value.)

# For property wealthy districts, Tier 1 is funded primarily via local revenues

*Illustrative example:* Two districts have identical student populations, creating identical Tier 1 entitlements. The only difference between them is that one district has significantly higher property wealth, generating more local tax revenue

## Total Tier 1 Entitlement by Revenue Stream and Property Wealth Status (illustrative only)



**Other State Revenues** may not be received, if local revenues + ASF contribute at least enough dollars to fund the full Tier 1 entitlement for the district

**Excess Local Tax Revenue.** If the total collected at the Tier 1 tax rate is above the district's Tier 1 entitlement, excess funds are **Recaptured** by the state

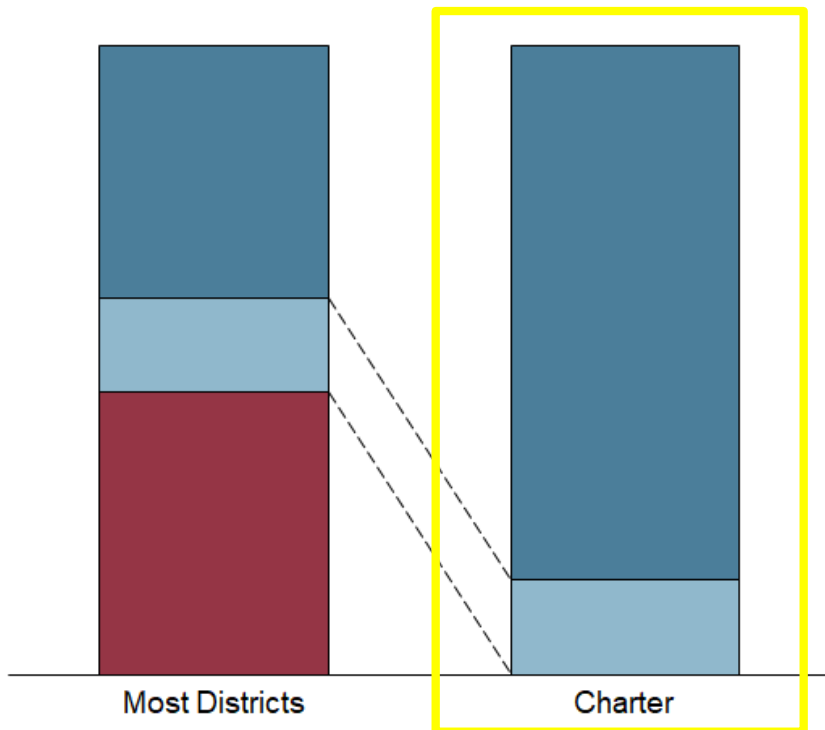
**State ASF** includes the annual distribution provided to all districts and charters on a per student basis. Property wealthy districts that generate more than enough local revenue to fund their Tier 1 entitlement, still receive ASF, but their **Recapture** requirement increases to offset amounts above Tier 1 entitlement after accounting for ASF

**Local Tax Revenue** includes revenue generated at the Tier 1 tax rate applied to local property values

# For *charters*, the full value of Tier 1 entitlement is funded by the state

*Illustrative example:* A district and a charter have identical student populations and characteristics that create equal Tier 1 entitlements.

**Total Tier 1 Entitlement by Revenue Stream and School Type (illustrative only)**



As local tax revenue is not available to fund a charter's Tier 1 entitlement, **Other State Revenue** funds the full balance beyond the ASF.

**State ASF** includes the annual distribution that goes to all districts and charters on a per-student basis.

A charter cannot access **Local Tax Revenue** because charter schools do not levy local property taxes.

# Tier 2 Overview

- The purpose of Tier 2 is to ensure that districts have the **ability to equitably generate additional revenue for schools, at local discretion.**
- **Tier 2 applies to local property taxes levied for operations above the Tier 1 rate.**
- The Tier 2 formula supports equity through a **“guaranteed yield” structure**: the state guarantees a specific level of funding per student for additional taxes (above Tier 1 rates) levied by the district, **regardless of differences in local property values.**
- Tier 2 funding is separated into two levels:
  - **“Golden pennies”** produce a higher guaranteed yield and are not subject to recapture; districts are limited to 8 cents of tax effort at this level.
  - **“Copper pennies”** produce a lower guaranteed yield; revenues generated above that yield are recaptured.
- Because **charters** do not levy property taxes, their Tier 2 funding is **based on statewide average tax effort.**

# In Tier 2, districts can opt to levy additional local property tax and receive supplemental state funding to support equity



Districts can levy up to 8 golden pennies



... plus 9 copper pennies above that\*

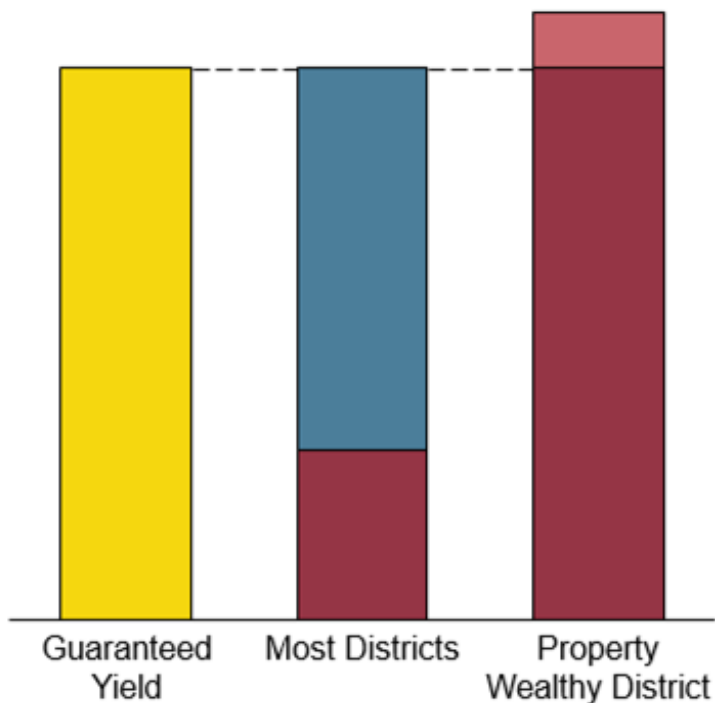
- This applies to the first **8 cents a district chooses to levy above its Tier 1 tax rate.**
- **For each cent** of additional taxes, **the state promises a “guaranteed yield”** of incremental funding per student for the district.
- The “guaranteed yield” **reflects local revenue per student per penny of tax effort for a district at the 96th percentile;** in 2020/21, this is \$98.56 per penny per student.
- To the extent that local property values don't produce revenue at the guaranteed level, **the state fills the gap.**
- For very wealthy districts that produce revenue locally above the guaranteed level, those funds are **not subject to recapture.**
- If a district wants to generate additional funds beyond the golden pennies, it may **add up to 9 more cents to its local property tax rate** (in FY2021).
- These “copper pennies” generate a lower guaranteed yield than golden pennies, **set at \$49.28 per penny per student for the 2020-21 biennium.**
- Revenues generated via copper pennies are **subject to recapture;** if districts generate more revenue than the guaranteed yield (above), they must pay it to the state.

Recaptured Tier 1 and 2 funds are **used by the state to fund overall FSP state costs.**



# Both state and local funds are revenue sources for golden pennies; districts are able to retain all local dollars generated

*Tier 2 Revenue by Source, by Golden Penny (illustrative only)*



If districts generate **Excess Local Revenue** beyond the guaranteed yield via the incremental tax effort, **they retain it.**

For districts that do not generate the full guaranteed yield from local revenues, **State Funds** fund the balance.

**Local Tax Revenue** includes all revenue generated via the incremental golden penny tax effort.

# Copper pennies work similarly to golden pennies, but guaranteed yield is lower and excess local funds are recaptured

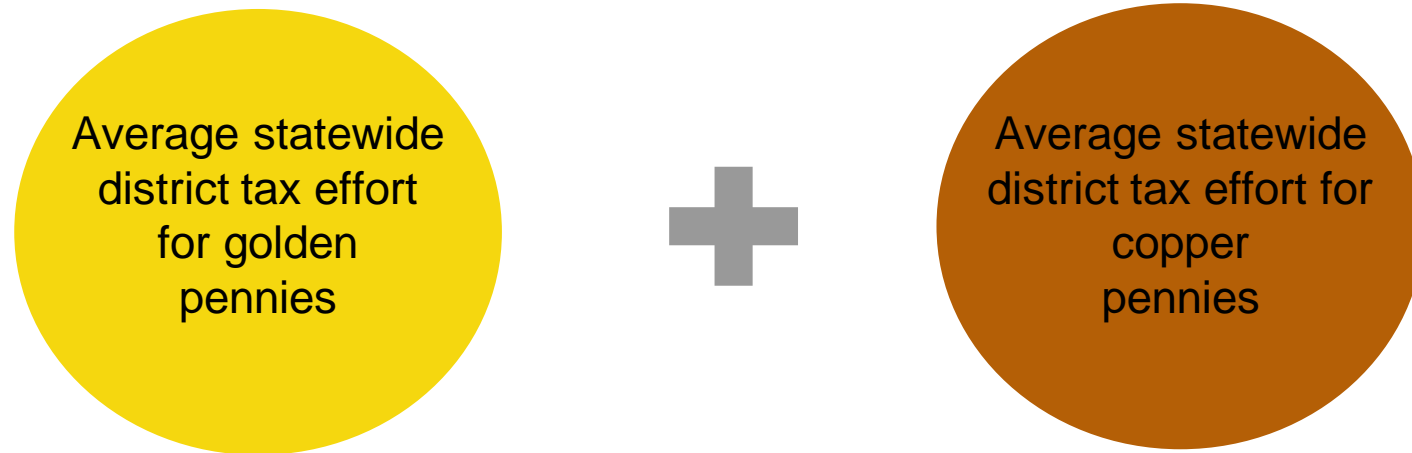
*Tier 2 Revenue by Source, by Golden Penny (illustrative only)*

*Tier 2 Revenue by Source, by Copper Penny (illustrative only)*



# How does Tier 2 work for charters?

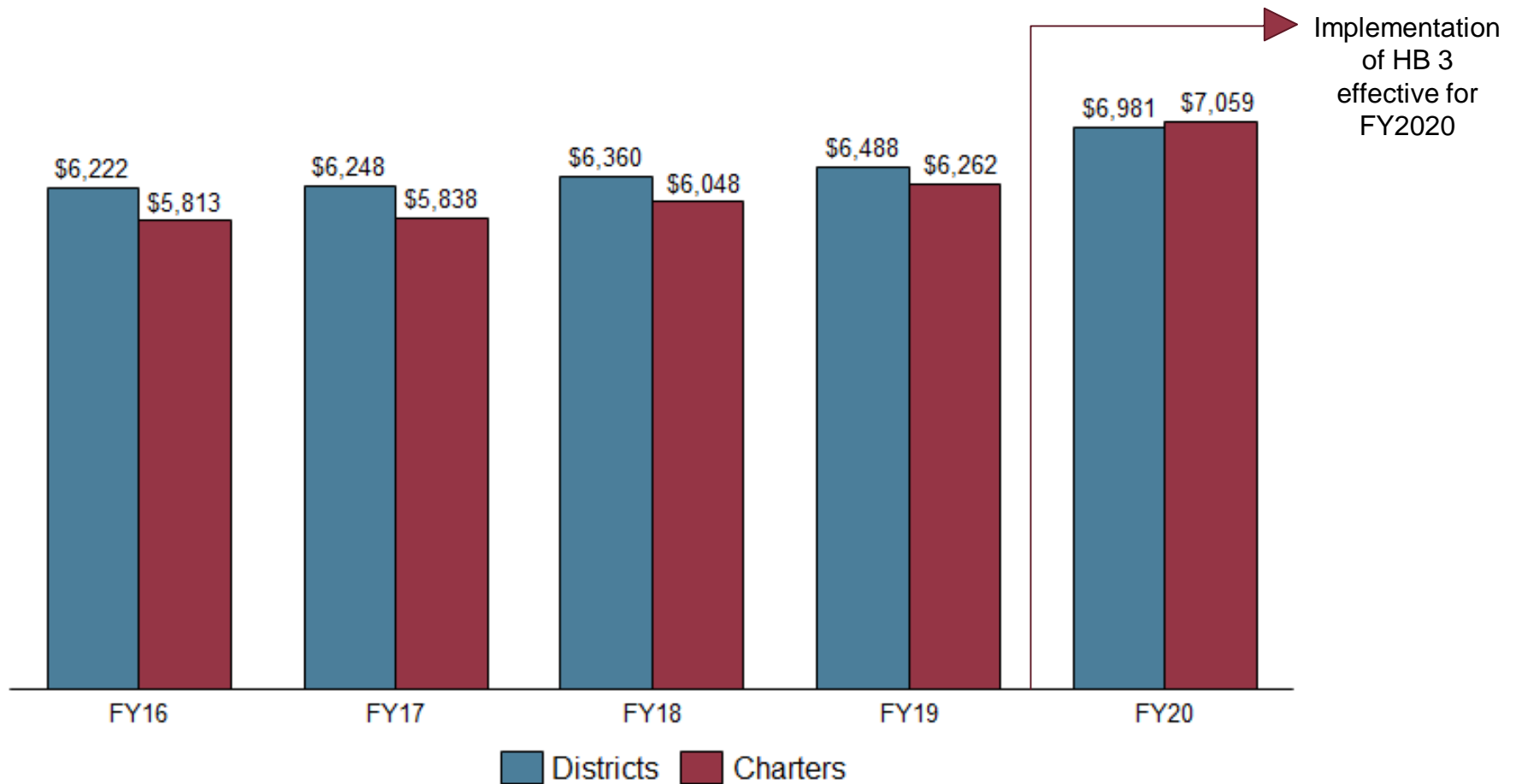
*Since charters don't levy local property taxes, their Tier 2 allotment is funded by the state based on the statewide average Tier 2 district tax effort/student.*



The state average for Tier 2 funding is skewed by wealthy districts; as such, **charters often receive greater Tier 2 allotments than the median district**. Average Tier 2 entitlement/charter student was \$711, higher than \$647/student overall in 2019-20.

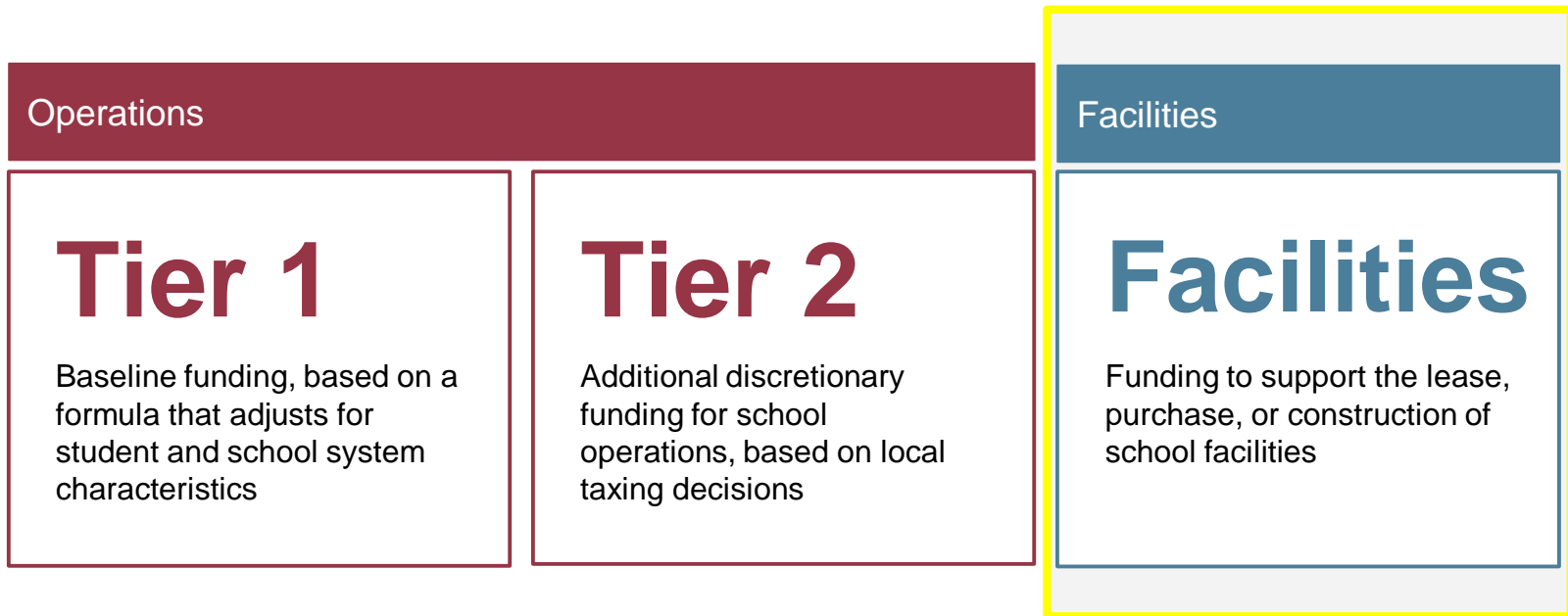
# Summary: Implementation of HB 3 in SY19-20 narrowed ops funding differences between sectors on average (Tier 1+Tier 2)

Comparison of District and Charter FSP Funding for Operations per Weighted Student



Source: Author calculations based on data retrieved from "School District State Aid Reports," Foundation School Program, Texas Education Agency, <https://tealprod.tea.state.tx.us/fsp/Reports/ReportSelection.aspx> (Final and Near Final (NF FY2020 only)), and 1994-2021 Chapter 41 Recapture Paid by District; data provided by TEA.

# The FSP allocates \$26B in operations and facilities funding to school districts and charters annually



*Note that while funding comparisons for operations funding are provided on a WADA basis to control for differences in student and other characteristics that drive differential costs, **funding comparisons for facilities are provided on an ADA basis.***

*This is because students' relative facilities needs (and therefore costs) will not vary the same way instructional needs vary, and comparisons based on WADA would tend to artificially inflate differences between districts and charters serving different populations of students.*

# Districts and charters are eligible for different facilities funding programs, leaving charters with vastly less funding

Charters are not eligible for the state's primary facilities funding programs, which supplement local taxes raised to support school facilities

## Charter Facilities Funding

### Charter Facilities Allotment

- Allotment per ADA to charter schools meeting certain student performance requirements, capped statewide at \$60 million per year

In 2019, the state introduced the charter facilities allotment to begin to close the gap in facilities funding

## District Facilities Funding

### Local Taxes for Facilities

- Provides local property tax revenue for payments on debt that finances facilities construction and improvement

### Existing Debt Allotment (EDA)

- Available to all school districts that take on debt to support building construction and improvement projects
- State EDA funds supplement local revenues

### Instructional Facilities Allotment

- Functions similarly to EDA; state funding available to low property wealth districts only

### Homestead Assistance for Facilities

- Primary residences are partially exempted from local property taxes; state funds compensate districts for the resulting loss of taxable property value

Total  
average  
funding/  
ADA

**\$201**

**\$1,785**

Source: "School District State Aid Reports: [Summary of Finance Reports, 2019-20](#)," Foundation School Program, Texas Education Agency.

# Summary: On average, despite near parity in operations, large facilities disparities leave charters relatively underfunded

## Overall Funding

	School Districts		Charter Schools		Gap
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA
<i>Operations</i>	\$9,799	\$6,981	\$10,835	\$7,059	<b>\$78</b>
<i>Facilities</i>	\$1,785	n/a	\$201	n/a	<b>(\$1,584)</b>

Note: For charters, facilities funding consists solely of state Charter Facilities Allotment funding. For traditional district schools, facilities funding includes: local tax revenues, instructional facilities allotment, existing debt allotment, and homestead assistance for facilities.

# Table of Contents

---

Introduction

How the FSP Formula Works

***Case Studies: How Funding Differences  
Play Out at the Local Level***

Key Takeaways and Policy Considerations



# In reality, relative funding available to districts and charter schools varies based on local circumstances

Key drivers of differences in funding among districts and between districts and charter schools



<b>Tier 1</b>	Differences in student characteristics and other “weighted” factors			
<b>Tier 2</b>		Variation in local property wealth	Local tax rate decisions	Golden penny exemption from recapture
<b>Facilities</b> <i>among districts</i>		Variation in local property wealth	Local tax rate decisions	
<b>Facilities</b> <i>between districts and charters</i>				Different state funding policies/structures

To understand how public school funding compares within communities, we compared relative funding at the local level

**Austin**

**Dallas**

**Houston**

**Hidalgo**

**Northside (Bexar)**

The following slides present case studies comparing operations and facilities revenues available to specific districts and charter schools operating within those districts. These comparisons show how differences vary locally based on factors including local district taxing decisions and property values and student demographics.

Note: We analyzed eight comparisons. The five presented in detail represent variations among the group based on local characteristics. Summary data for all eight are provided.

# Our methodology

We asked: *How does funding differ within a community between its traditional district and charter schools?*



## Approach

Using financial and enrollment data from TEA, we analyzed funding differences between eight pairs of local ISD/charter counterparts (i.e., relative funding at a traditional school district vs. a charter school with at least one campus located within district boundaries).

Our analysis includes urban, suburban, and rural communities.

We present comparisons on an ADA and WADA basis for transparency.

Detailed results are presented for five representative case studies with summary data for all eight.



## Overall Findings

Results were mixed:

We found that in five analysis pairs, the charter school receives *less* operations funding per WADA than the traditional public school.

In the other three pairs, the charter school receives *more* operations funding per WADA than the traditional public school.

No charter schools received more facilities funding than their district counterparts.

# Austin



# Austin: Overview of school systems compared

## Austin ISD

### Enrollment

- 80,911 students
- 56% Hispanic
- 11% Black
- 14% white
- 16% Asian
- 2% multiracial

### District Overview

Austin ISD is the fifth-largest school district in Texas. It operates 125 schools serving grades K-12, including 79 elementary, 19 middle, and 17 high schools.

*AISD serves small numbers of Native American and Pacific Islander students; however, its enrollment is masked by TEA to protect privacy.*

## Austin Achieve

### Enrollment

- 1,869 students
- 90% Hispanic
- 6% Black
- 3% white

### District Overview

Austin Achieve is a family of three charter schools in Austin that serves grades K-12. Austin Achieve includes an elementary, middle, and high school.

*Austin Achieve serves small numbers of Native American, Asian, and Pacific Islander students; however, its enrollment is masked by TEA to protect privacy.*

# Austin Achieve's student demographics generate a higher relative Tier 1 entitlement than AISD's ...

**Select Student Demographics Qualifying for Higher Tier 1 Funding**

		Austin Achieve		Austin ISD	
	Tier 1 allotment	% of pop.	Total funding	% of pop.	Total funding
Economically Disadvantaged	Compensatory Education Allotment	92.4%	\$2.8M	54.2%	\$66.9M
Special Education	Special Education Allotment	9.8%	\$1.3M	12.9%	\$73.3M
English Learner	Bilingual Education Allotment	63.6%	\$0.6M	28.2%	\$14.9M
	All Other Tier 1 Allotments		\$12.6M		\$448.2M
		WADA		WADA	
	<b>Total Tier 1</b>	<b>2,714</b>	<b>\$17.3M</b>	<b>97,238</b>	<b>\$603.3M</b>

**Relative Tier 1 Entitlement per WADA**

**\$6,375**

**\$6,205**

Source: "School District State Aid Reports: [Summary of Finance Reports](#), 2019-20," Foundation School Program, Texas Education Agency.

# ... but Austin ISD's relatively high property wealth drives up state/local revenues available in Tier 2

## Financial Characteristics

*In 2019-20*

### ***Property Wealth:***

- Above average, 41st highest in the state in wealth per WADA

### ***Property tax rates:***

- Operations: \$1.01
- Facilities: \$0.11

## Detailed Implications for Funding

- Due to high tax revenue, Tier 1 entitlement is funded solely via local dollars, *and*
- AISD's local revenues are subject to recapture
- Generates and retains more than their Tier 2 entitlement
- Because of its high property wealth, AISD receives no state aid for facilities, *but*
- Significant local revenue exists to cover facilities costs

As a result, including both Tiers 1 and 2, Austin Achieve receives \$189 per WADA less for operations than AISD ...

	Austin ISD		Austin Achieve		Gap	
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA	
<b>Tier 1</b>	\$8,618	\$6,205	\$10,590	\$6,375	\$170	↑
<b>Tier 2</b>	\$1,486	\$1,070	\$1,180	\$711	(\$359)	↓
<b><u>Total</u></b>	<b><u>\$10,104</u></b>	<b><u>\$7,275</u></b>	<b><u>\$11,770</u></b>	<b><u>\$7,086</u></b>	<b><u>(\$189)</u></b>	↓

Reflects direction of **charter** (vs. district) **funding gap** by WADA

**Austin Achieve’s relative funding advantage in Tier 1 is offset by Austin ISD’s relative advantage in Tier 2 due to high property wealth and relief from recapture**

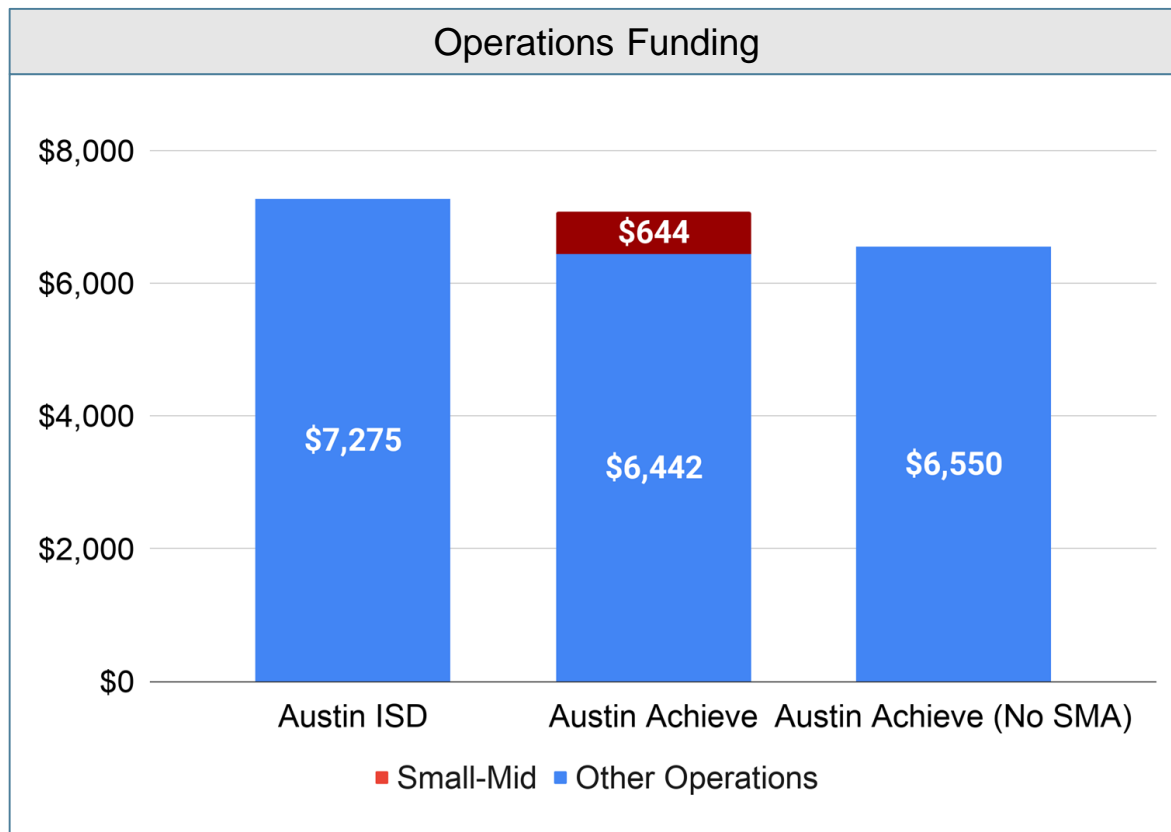


... and Austin Achieve's facilities funding is significantly lower at ~\$2K less per student than Austin ISD

	Austin ISD	Austin Achieve	Gap	
	Per ADA	Per ADA	Per ADA	
<b>Facilities, Local</b>	\$2,125	\$0	(\$2,125)	↓
<b>Facilities, State</b>	\$7	\$203	\$196	↑
<b><u>Facilities Total</u></b>	<b><u>\$2,132</u></b>	<b><u>\$203</u></b>	<b><u>(\$1,929)</u></b>	↓

Reflects direction of charter (vs. district) funding gap

# Recent policy changes reduce the operations funding gap between Austin ISD and Austin Achieve



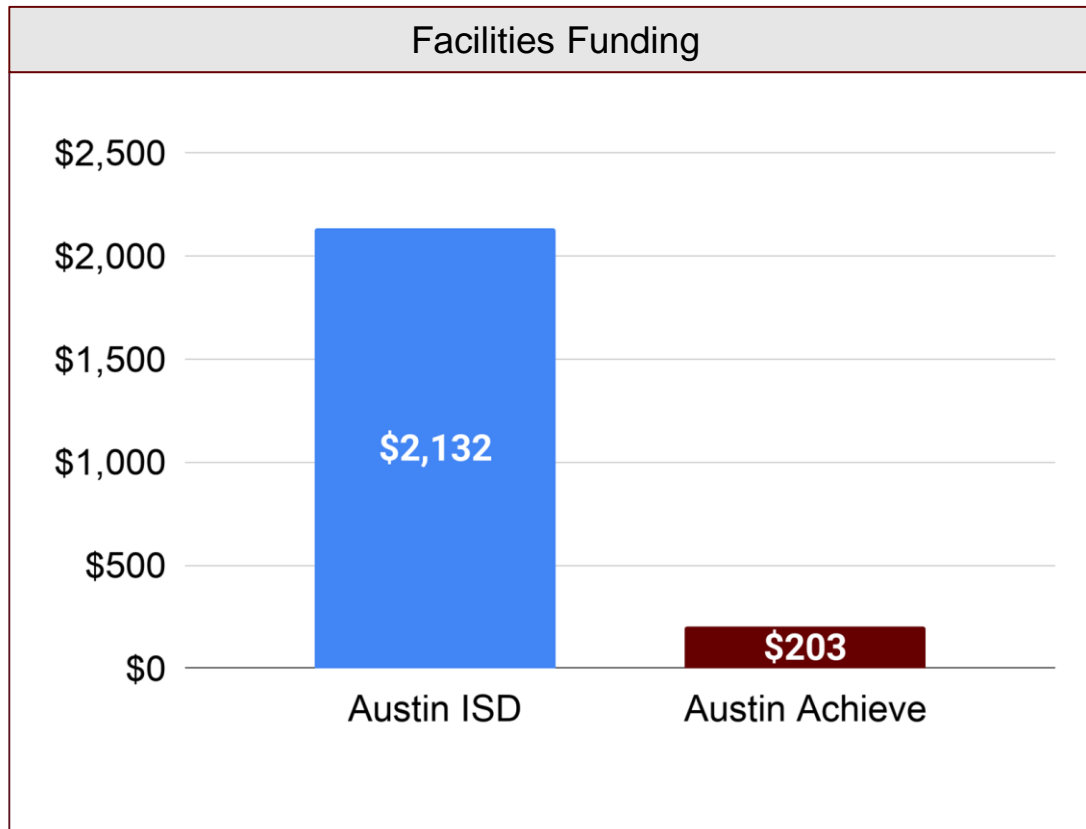
Currently, the revenue generated through the Small and Mid-Sized District Allotment closes the funding disparity between Austin Achieve and Austin ISD by **\$644**.

However, **without that policy**, and after accounting for the subsequent change to Austin Achieve's WADA calculation<sup>1</sup> from removing the SMA, **Austin Achieve would receive \$725 less per WADA**.

<sup>1</sup>The SMA affects the determination of WADA because SMA is one of the district "weights" in Tier 1. As a result, removing the SMA requires recalculating WADA after excluding those revenues. Absent this adjustment, the funding gap resulting from removing the SMA would appear larger than it is.

# There is a considerable disparity in facilities funding between Austin ISD and Austin Achieve

**The charter facilities allotment reduces the disparity in funding for instructional space, but the gap nevertheless remains significant.**



There is a dramatic disparity in facilities funding between Austin ISD and Austin Achieve. Austin ISD receives \$1,929 more per student than Austin Achieve.

This disparity is driven by the fact that charter schools are ineligible for local revenues or state facilities funding streams accessible to traditional school districts.

Note that this analysis does not consider the relative cost of facilities in either setting.

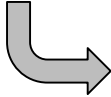
# High property values and facilities funding drive funding differences between Austin ISD and Austin Achieve

## Key drivers of funding differences

- 1**

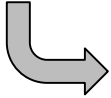
**Tier 1**

On a per-WADA basis, Austin Achieve has a Tier 1 funding advantage, primarily tied to differences in the Compensatory Education Allotment and the SMA.

 The result is an additional \$170 per WADA for Austin Achieve in Tier 1.
- 2**

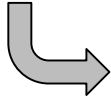
**Tier 2**

Austin ISD generates and retains more local tax revenue than its Tier 2 entitlement. Achieve Austin's Tier 2 revenues are tied to the state average, which is less than what Austin ISD generates locally.

 The result is an additional \$359 per WADA for AISD in Tier 2, for a net advantage in operations funding for AISD of \$189 per WADA.
- 3**

**Facilities**

Austin ISD has significantly more facilities funding per student than Achieve Austin. Due to the high amount of local facilities revenue generated by local taxes, Austin ISD does not receive separate state facilities funding.

 The result is an additional \$1,929 per student for AISD.

# DALLAS



# Dallas: Overview of school systems compared

## Dallas ISD

### Enrollment

- 153,861 students
- 70% Hispanic
- 22% Black
- 6% white
- 1% Asian
- 1% multiracial

### District Overview

Dallas ISD is the second-largest school district in Texas. It operates 230 schools serving grades K-12, including 147 elementary, 35 middle, and 38 high schools.

*DISD serves small numbers of Native American and Pacific Islander students; however, its enrollment is masked by TEA to protect privacy.*

## KIPP

### Enrollment

- 28,672 students
- 70% Hispanic
- 25% Black
- 1% white
- 2% Asian

### District Overview

KIPP is a large charter network with seven schools in the Dallas Fort Worth area. These schools serve grades K-12. KIPP also has schools in Austin, Dallas, and San Antonio.

*KIPP serves small numbers of Native American, Pacific Islander, and multiracial students; however, its enrollment is masked by TEA to protect privacy.*

# With similar student demographics, KIPP and DISD generate similar Tier 1 entitlements ...

**Select Student Demographics Qualifying for Higher Tier 1 Funding**

		KIPP		Dallas ISD	
	Tier 1 allotment	% of pop.	Total funding	% of pop.	Total funding
Economically Disadvantaged	Compensatory Education Allotment	86.0%	\$39.3M	85.9%	\$213.1M
Special Education	Special Education Allotment	8.2%	\$14.2M	9.4%	\$101.3M
English Learner	Bilingual Education Allotment	37.6%	\$5.2M	45.6%	\$45.5M
	All Other Tier 1 Allotments		\$185.5M		\$841.8M
		WADA		WADA	
	<b>Total Tier 1</b>	<b>39,376</b>	<b>\$244.1M</b>	<b>194,116</b>	<b>\$1,201.6M</b>

**Relative Tier 1 Entitlement per WADA**

**\$6,200**

**\$6,190**

... but Dallas ISD's relatively high property wealth drive up other state/local revenues available

### Financial Characteristics

*In 2019-20*

#### ***Property Wealth:***

- Above average, 131st highest in the state in wealth per WADA

#### ***Property tax rates:***

- Operations: \$1.07
- Facilities: \$0.24

### Implications for Funding Structure

- Due to high property values, Tier 1 entitlement is funded almost entirely via local dollars, *and*
- DISD is subject to recapture after accounting for state funding through the ASF
- Its Tier 2 entitlement is above the state average
- DISD does not receive state aid for facilities, *but*
- Significant local revenue exists to cover facilities costs



As a result, KIPP receives \$309 per student (weighted) less in operations funding compared with DISD ...

	Dallas ISD		KIPP		Gap	
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA	
<b>Tier 1</b>	\$9,615	\$6,190	\$9,816	\$6,200	\$10	↑
<b>Tier 2</b>	\$1,600	\$1,030	\$1,125	\$711	(\$319)	↓
<b><u>Total</u></b>	<b><u>\$11,215</u></b>	<b><u>\$7,220</u></b>	<b><u>\$10,941</u></b>	<b><u>\$6,911</u></b>	<b><u>(\$309)</u></b>	↓

Reflects direction of charter (vs. district) funding gap by WADA

**While Tier 1 funding between Dallas ISD and KIPP is quite similar, Dallas ISD’s relatively high property wealth and Tier 2 tax rate is well above the average on which charter school funding in Tier 2 is based.**

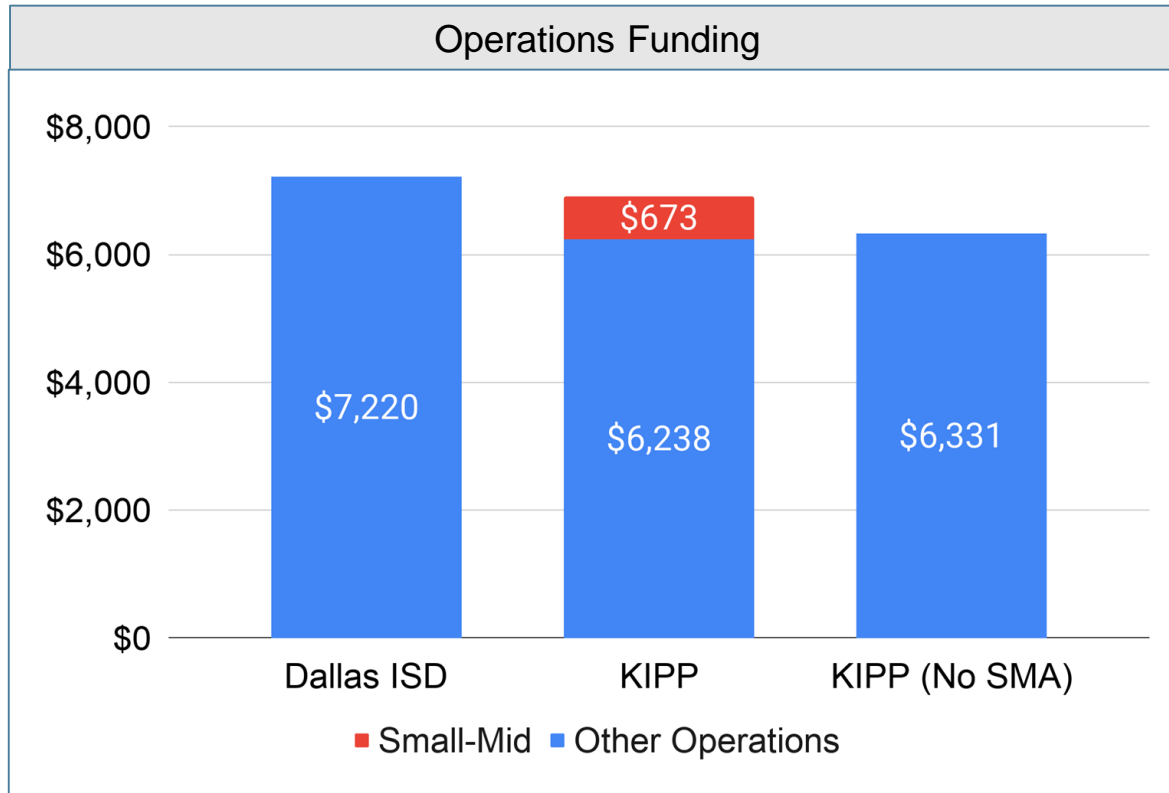
Source: “School District State Aid Reports, [Summary of Finance Reports](#), 2010-11 through 2019-20,” Texas Education Agency, Foundation School Program.

... and KIPP receives significantly less facilities funding at ~\$2,200 less per student than Dallas ISD

	Dallas ISD	KIPP	Gap	
	Per ADA	Per ADA	Per ADA	
<b>Facilities, Local</b>	\$2,391	\$0	(\$2,391)	↓
<b>Facilities, State</b>	\$15	\$203	\$188	↑
<b><u>Facilities Total</u></b>	<b><u>\$2,406</u></b>	<b><u>\$203</u></b>	<b><u>(\$2,203)</u></b>	↓

Reflects direction of charter (vs. district) funding gap

# Recent policy changes reduce the operations funding gap between Dallas ISD and KIPP



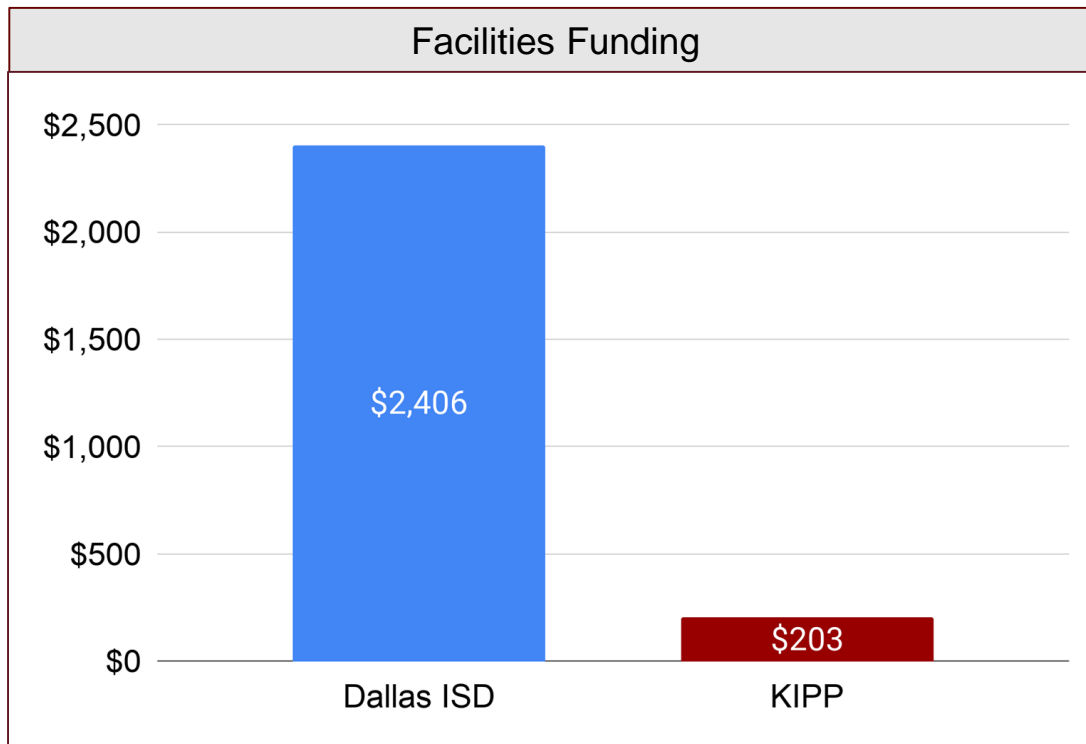
Currently, revenue from the Small and Mid-Sized District Allotment closes the funding disparity between KIPP and Dallas ISD by **\$673**.

However, **without that policy**, and after accounting for the subsequent change to KIPP's WADA calculation, **KIPP would receive \$889 less than DISD per WADA**.

<sup>1</sup>The SMA affects the determination of WADA because SMA is one of the district "weights" in Tier 1. As a result, removing the SMA requires recalculating WADA after excluding those revenues. Absent this adjustment, the funding gap resulting from removing the SMA would appear larger than it is.

# There is a considerable disparity in facilities funding between Dallas ISD and KIPP

**The charter facilities allotment reduces the disparity in funding for instructional space, but the gap nevertheless remains significant.**



There is a dramatic disparity in facilities funding between Dallas ISD and KIPP. Dallas ISD receives \$2,203 more per student than KIPP.

This disparity is driven by the fact that charter schools are ineligible for local revenues or state facilities funding streams accessible to traditional school districts.

Note that this analysis does not consider the relative cost of facilities in either setting.

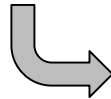
# High property values and taxes and facilities funding drive funding differences between Dallas ISD and KIPP

## Key drivers of funding differences

1

### Tier 1

On a per-WADA basis, funding between Dallas ISD and KIPP is quite equitable.

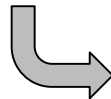


The result is an additional \$10 per weighted student for KIPP in Tier 1.

2

### Tier 2

Dallas ISD generates and retains more revenue than KIPP in Tier 2. KIPP's Tier 2 revenues are tied to the state average, which is less than what Dallas ISD generates locally and from the state's share of their entitlement.

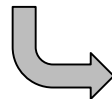


The result is an additional \$319 per weighted student for DISD, for a net operations funding advantage for DISD of \$309 per WADA.

3

### Facilities

Dallas ISD has significantly more facilities funding per student than KIPP. Due to the high amount of local facilities revenue generated by local taxes, Dallas ISD does not receive separate state facilities funding.



The result is an additional \$2,203 per student for DISD.

# HOUSTON



# Houston: Overview of school systems compared

## Houston ISD

### Enrollment

- 210,016 students
- 62% Hispanic
- 23% Black
- 9% white
- 4% Asian
- 1% multiracial

### District Overview

Houston ISD is the largest school district in Texas. It operates 276 schools serving grades K-12. There are 160 elementary, 39 middle, and 37 high schools.

*HISD serves small numbers of Native American and Pacific Islander students; however, its enrollment is masked by TEA to protect privacy.*

## YES Prep

### Enrollment

- 12,074 students
- 88% Hispanic
- 9% Black
- 1% white
- 1% Asian

### District Overview

YES Prep is a large, Houston-area charter network with 24 schools. These schools serve grades K-12.

*YES Prep serves small numbers of Native American, Asian, Pacific Islander, and multiracial students; however, its enrollment is masked by TEA to protect privacy.*

# With similar student demographics, YES Prep and HISD generate similar Tier 1 entitlements ...

**Select Student Demographics Qualifying for Higher Tier 1 Funding**

		YES Prep		Houston ISD	
	Tier 1 allotment	% of pop.	Total funding	% of pop.	Total funding
Economically Disadvantaged	Compensatory Education Allotment	88.5%	\$17.3M	79.1%	\$266.7M
Special Education	Special Education Allotment	6.2%	\$6.4M	8.0%	\$114.2M
English Learner	Bilingual Education Allotment	30.9%	\$2.9K	33.9%	\$38.6M
	All Other Tier 1 Allotments		\$80.9M		\$1,131.7M
		WADA		WADA	
	<b>Total Tier 1</b>	<b>16,784</b>	<b>\$104.6M</b>	<b>250,430</b>	<b>\$1,551.2M</b>

**Relative Tier 1 Entitlement per WADA**

**\$6,231**

**\$6,194**

Source: "School District State Aid Reports, [Summary of Finance Reports](#), 2010-11 through 2019-20," Texas Education Agency, Foundation School Program.



... but Houston ISD's relatively high property wealth drives up other state/local revenues available

### Financial Characteristics

*In 2019-20*

#### ***Property Wealth:***

- Above average, 105th highest in the state in wealth per WADA

#### ***Property tax rates:***

- Operations: \$0.97
- Facilities: \$0.17

### Implications for Funding Structure

- Due to high property wealth, Tier 1 entitlement is funded solely via local dollars, *and*
- HISD is subject to recapture
- Its Tier 2 entitlement is below the state average, due in part to a relatively low tax rate
- HISD does not receive state aid for facilities, *but*
- Significant local revenue exists to cover facilities costs

As a result, Yes Prep receives \$389 per student (weighted) more in operations funding compared with HISD ...

	Houston ISD		YES Prep		Gap	
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA	
<b>Tier 1</b>	\$8,922	\$6,194	\$9,576	\$6,231	\$37	↑
<b>Tier 2</b>	\$517	\$359	\$1,092	\$711	\$352	↑
<b><u>Total</u></b>	<b><u>\$9,439</u></b>	<b><u>\$6,553</u></b>	<b><u>\$10,668</u></b>	<b><u>\$6,942</u></b>	<b><u>\$389</u></b>	↑

Reflects direction of **charter** (vs. district) **funding gap** by WADA

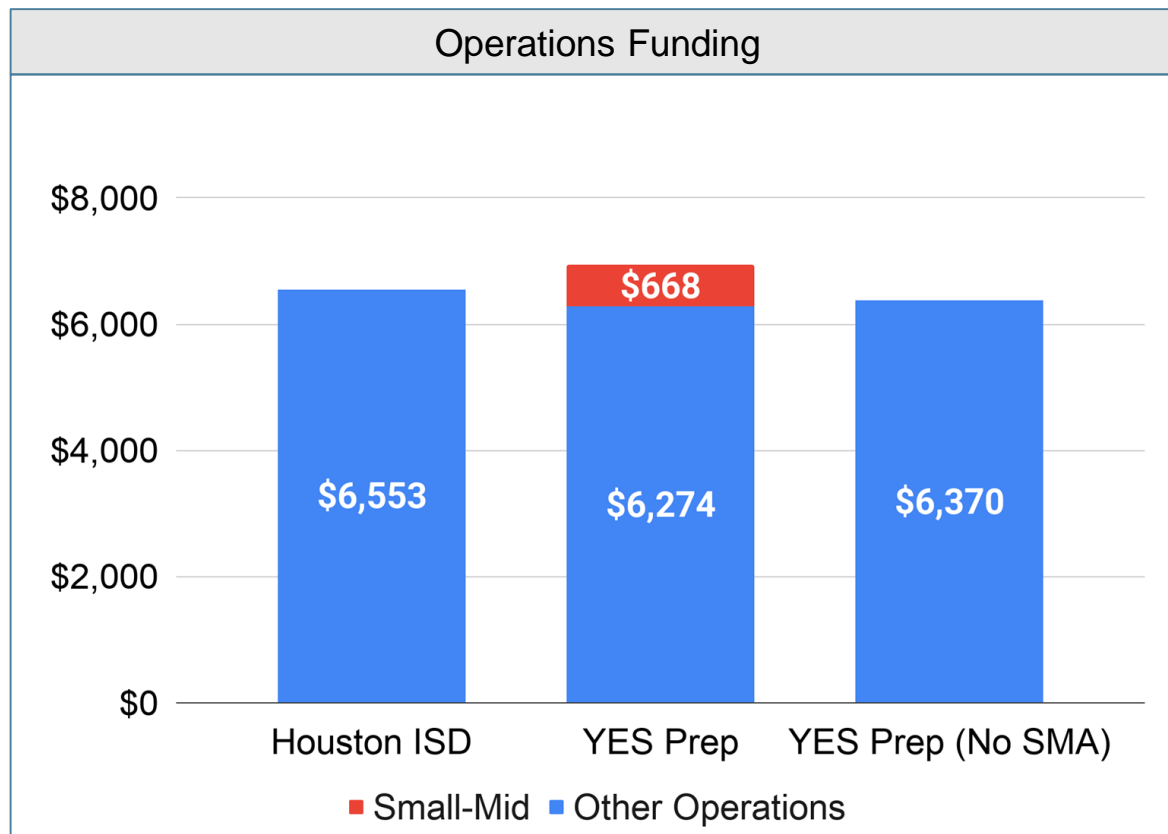
**While Tier 1 funding between Houston ISD and YES Prep is quite similar, Houston ISD's relatively low Tier 2 tax rate means its Tier 2 revenue falls below the average on which charter school funding in Tier 2 is based.**

... and YES Prep receives significantly less facilities funding at ~\$1,500 less per student than Houston ISD

	Houston ISD	YES Prep	Gap	
	Per ADA	Per ADA	Per ADA	
<b>Facilities, Local</b>	\$1,678	\$0	(\$1,678)	↓
<b>Facilities, State</b>	\$13	\$203	\$190	↑
<b><u>Facilities Total</u></b>	<b><u>\$1,691</u></b>	<b><u>\$203</u></b>	<b><u>(\$1,488)</u></b>	↓

Reflects direction of charter (vs. district) funding gap

# Recent policy changes more than eliminate the operations funding gap between Houston ISD and YES Prep



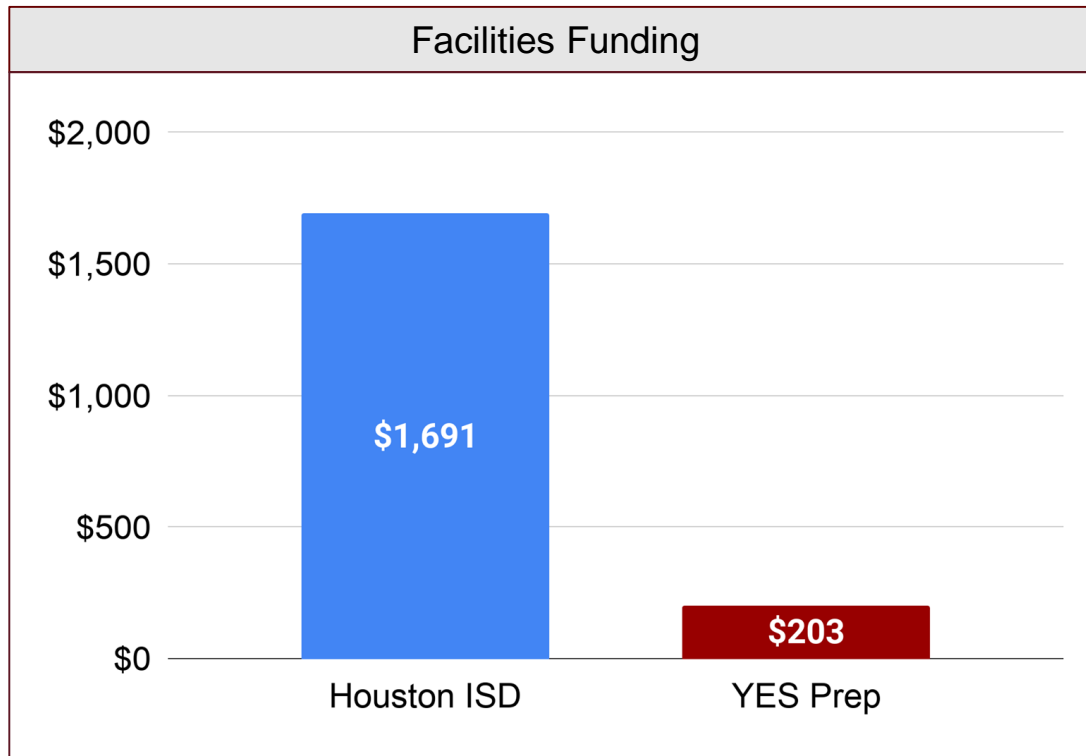
Currently, revenue from the Small and Mid-Sized District Allotment affords YES Prep an **additional \$389** per weighted student.

However, **without that policy**, and after accounting for the subsequent change to YES Prep's WADA calculation, **YES Prep would receive \$183 less than Houston ISD per WADA.**

<sup>1</sup>The SMA is included in the WADA calculation. Removing the SMA requires recalculating WADA after excluding those revenues from the Tier 1 entitlement.

# There is a considerable disparity in facilities funding between Houston ISD and YES Prep

**The charter facilities allotment reduces the disparity in funding for instructional space, but the gap nevertheless remains significant.**



There is a dramatic disparity in facilities funding between Houston ISD and YES Prep. Houston ISD receives \$1,488 more per student than YES Prep.

This disparity is driven by the fact that charter schools are ineligible for local revenues or state facilities funding streams accessible to traditional school districts.

Note that this analysis does not consider the relative cost of facilities in either setting.

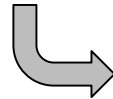
# High property values and taxes and facilities funding drive funding differences between Houston ISD and YES Prep

## Key drivers of funding differences

1

### Tier 1

On a per-WADA basis, Tier 1 funding between Houston ISD and YES Prep is quite equitable.

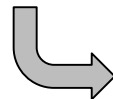


The result is an additional \$37 per weighted student at YES Prep in Tier 1.

2

### Tier 2

YES Prep receives more Tier 2 funding than Houston ISD. YES Prep's Tier 2 revenues are tied to the state average, which is greater than the funds Houston ISD generates locally at its relatively low tax rate and from the state.

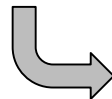


The result is an additional \$352 per weighted student at YES Prep, and a net operations funding advantage for YES Prep of \$389 per WADA.

3

### Facilities

Houston ISD has significantly more facilities funding per student than YES Prep. Due to the high amount of local facilities revenue generated by local taxes, Houston ISD does not receive separate state facilities funding.



The result is an additional \$1,488 per student at HISD.

**NORTHSIDE**



ADMINISTRATION BUILDING  
NORTHSIDE INDEPENDENT  
SCHOOL DISTRICT  
5900 EVERS ROAD

# Northside: Overview of school systems compared

## Northside ISD

### Enrollment

- 107,817 students
- 68% Hispanic
- 7% Black
- 19% white
- 3% Asian
- 3% multiracial

*NSISD serves small numbers of Native American and Pacific Islander students; however, its enrollment is masked by TEA to protect privacy.*

### District Overview

Northside ISD is a suburban school district outside of San Antonio. It operates 118 schools serving grades K-12. There are 80 elementary, 20 middle, and 18 high schools.

## IDEA

### Enrollment

- 49,480 students
- 89% Hispanic
- 5% Black
- 5% white

*IDEA serves small numbers of Native American, Asian, Pacific Islander, and multiracial students; however, its enrollment is masked by TEA to protect privacy.*

### District Overview

IDEA is a large charter network with 123 schools serving all grades. The network has schools across Texas, including in El Paso, Austin, and the Rio Grande Valley. It also has schools in Louisiana and plans to expand to Florida.



# Despite differing student demographics, IDEA and NSISD generate similar Tier 1 entitlements ...

**Select Student Demographics Qualifying for Higher Tier 1 Funding**

		IDEA		Northside ISD	
	Tier 1 allotment	% of pop.	Total funding	% of pop.	Total funding
Economically Disadvantaged	Compensatory Education Allotment	86.3%	\$67.1M	46.7%	\$76.9M
Special Education	Special Education Allotment	6.4%	\$20.4M	13.1%	\$90.2M
English Learner	Bilingual Education Allotment	38.2%	\$10.4M	9.8%	\$4.8M
	All Other Tier 1 Allotments		\$336.4M		\$611.2M
		WADA		WADA	
	<b>Total Tier 1</b>	<b>70,040</b>	<b>\$434.2M</b>	<b>126,318</b>	<b>\$783.1M</b>

**Relative Tier 1 Entitlement per WADA**

**\$6,200**

**\$6,199**

# ... but the average state Tier 2 funding entitlement drives greater Tier 2 resources to IDEA

## Financial Characteristics

*In 2019-20*

### ***Property Wealth:***

- Slightly below average, 255th highest in the state in wealth per WADA

### ***Property tax rates:***

- Operations: \$0.97
- Facilities: \$0.34

## Implications for Funding Structure

- Due to average tax revenue, 70% of Tier 1 entitlement is funded via local dollars, *and*
- NSISD is not subject to recapture
- Its Tier 2 entitlement is below the state average, due to below-average property wealth and relatively low tax rates
- NSISD receives marginal state aid for facilities, *but*
- Significant local revenue exists to cover facilities costs

As a result, IDEA receives \$322 per student (weighted) more in operations funding compared with NSISD ...

	Northside ISD		IDEA		Gap	
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA	
<b>Tier 1</b>	\$8,128	\$6,199	\$9,791	\$6,200	\$1	▬
<b>Tier 2</b>	\$512	\$390	\$1,122	\$711	\$321	↑
<b><u>Total</u></b>	<b><u>\$8,640</u></b>	<b><u>\$6,589</u></b>	<b><u>\$10,913</u></b>	<b><u>\$6,911</u></b>	<b><u>\$322</u></b>	↑

Reflects direction of charter (vs. district) funding gap by WADA

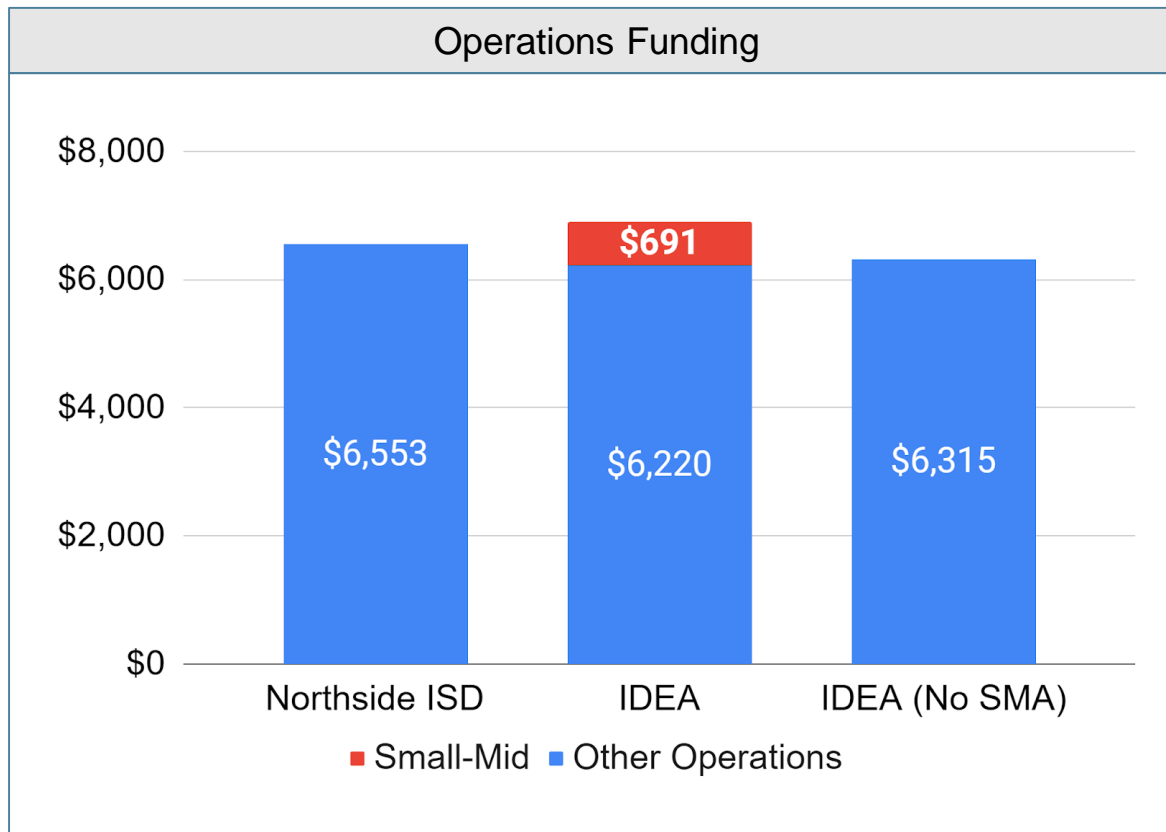
While Tier 1 funding between Northside ISD and IDEA is nearly identical, Northside ISD’s relatively low Tier 2 tax rate and below-average property values result in Tier 2 revenues below the average on which charter school funding in Tier 2 is based.

... however, IDEA's facilities are significantly underfunded, receiving ~\$1,800 less per student than Northside ISD

	Northside ISD	IDEA	Gap	
	Per ADA	Per ADA	Per ADA	
<b>Facilities, Local</b>	\$2,020	\$0	(\$2,020)	↓
<b>Facilities, State</b>	\$28	\$203	\$175	↑
<b><u>Facilities Total</u></b>	<b><u>\$2,048</u></b>	<b><u>\$203</u></b>	<b><u>(\$1,845)</u></b>	↓

Reflects direction of charter (vs. district) funding gap

# Recent policy changes more than eliminate the operations funding gap between Northside ISD and IDEA



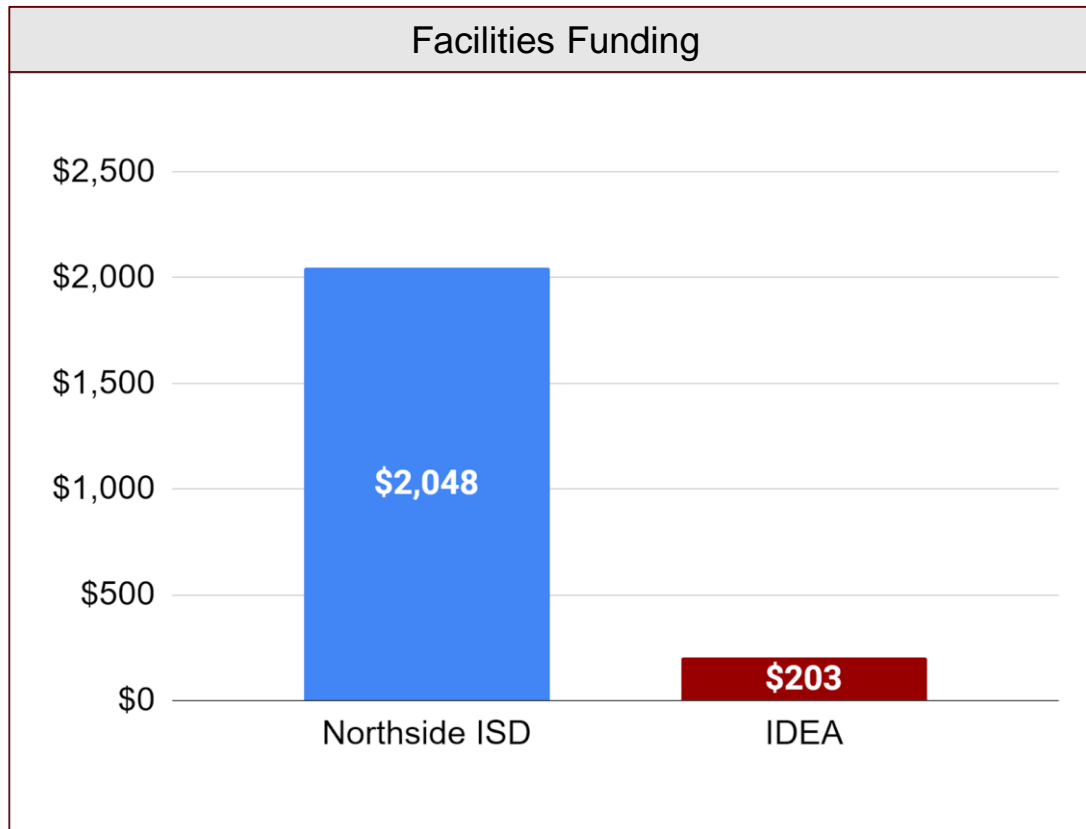
Currently, revenue from the Small and Mid-Sized District Allotment affords IDEA an **additional \$321** per weighted student.

However, **without that policy**, and after accounting for the subsequent change to IDEA's WADA calculation, **IDEA would receive \$371 less than NSISD** per WADA.

<sup>1</sup>The SMA affects the determination of WADA because SMA is one of the district "weights" in Tier 1. As a result, removing the SMA requires recalculating WADA after excluding those revenues. Absent this adjustment, the funding gap resulting from removing the SMA would appear larger than it is.

# There is a considerable disparity in facilities funding between Northside ISD and IDEA

**The charter facilities allotment reduces the disparity in funding for instructional space, but the gap nevertheless remains significant.**



There is a dramatic disparity in facilities funding between Northside ISD and IDEA. Dallas ISD receives \$1,844 more per student than IDEA.

This disparity is driven by the fact that charter schools are ineligible for local revenues, or state facilities funding streams accessible to traditional school districts.

Note that this analysis does not consider the relative cost of facilities in either setting.

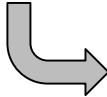
# Average property values, low tax rates, and facilities funding drive funding differences between Northside ISD and IDEA

## Key drivers of funding differences

- 1**

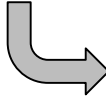
**Tier 1**

On a per-WADA basis, funding between Northside ISD and IDEA is quite equitable.

 The result is an additional \$1 per weighted student at IDEA in Tier 1.
- 2**

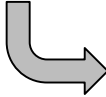
**Tier 2**

IDEA receives more Tier 2 funding than NSISD. IDEA's Tier 2 revenues are tied to the state average, which is greater than the funds NSISD generates due to its relatively low tax rate and somewhat lower-than-average property values.

 The result is an additional \$320 per weighted student at IDEA in Tier 2, and a net operations funding advantage of \$321 per WADA.
- 3**

**Facilities**

Northside ISD has significantly more facilities funding per student than IDEA. Due to the high amount of local facilities revenue generated by local taxes, Northside ISD receives very little separate state facilities funding.

 The result is an additional \$1,844 per student at Northside ISD.

# HIDALGO





# Hidalgo: Overview of school systems compared

## Hidalgo ISD

### Enrollment

- 3,199 students
- 100% Hispanic

*HISD serves small numbers of African American and white students; however, its enrollment is masked by TEA to protect privacy.*

### District Overview

Hidalgo ISD is a small school district in the Rio Grande Valley. It operates seven schools serving grades K-12. There are four elementary, one middle, and one high schools.

## IDEA

### Enrollment

- 49,480 students
- 89% Hispanic
- 5% Black
- 5% white

*IDEA serves small numbers of Native American, Asian, Pacific Islander, and multiracial students; however, its enrollment is masked by TEA to protect privacy.*

### District Overview

IDEA is a large charter network with 123 schools serving all grades. The network has schools across Texas, including in El Paso, Austin, and the Rio Grande Valley. It also has schools in Louisiana and plans to expand to Florida.

# Despite differing student demographics, IDEA and Hidalgo ISD generate similar Tier 1 entitlements ...

**Select Student Demographics Qualifying for Higher Tier 1 Funding**

		IDEA		Hidalgo ISD	
	Tier 1 allotment	% of pop.	Total funding	% of pop.	Total funding
Economically Disadvantaged	Compensatory Education Allotment	86.3%	\$67.1M	46.7%	\$4.6M
Special Education	Special Education Allotment	6.4%	\$20.4M	13.1%	\$1.9M
English Learner	Bilingual Education Allotment	38.2%	\$10.4M	9.8%	\$1.4M
	All other Tier 1 Allotments		\$336.4M		\$18.9M
		WADA		WADA	
	<b>Total Tier 1</b>	<b>70,040</b>	<b>\$434.3M</b>	<b>4,321</b>	<b>\$26.8M</b>

**Relative Tier 1 Entitlement per WADA**

**\$6,200**

**\$6,193**

... but Hidalgo ISD's relatively high Tier 2 tax effort generates a higher entitlement

### Financial Characteristics

*In 2019-20*

#### ***Property Wealth:***

- Below average, 927th highest in the state in wealth per WADA




#### ***Property tax rates:***

- Operations: \$1.07
- Facilities: \$0.23

### Implications for Funding Structure

- Due to low local revenue, 80% of Tier 1 entitlement is funded by the state, *and*
- Hidalgo ISD is not subject to recapture
- Its Tier 2 entitlement is above the state average
- Hidalgo ISD qualifies for the Small and Mid-Sized District Allotment, *and*
- Facilities funding is shared between state and local funding sources

# As a result, IDEA receives \$342 per student (weighted) less in operations funding compared with Hidalgo ISD

	Hidalgo ISD		IDEA		Gap	
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA	
<b>Tier 1</b>	\$10,003	\$6,193	\$9,791	\$6,200	\$7	
<b>Tier 2</b>	\$1,712	\$1,060	\$1,122	\$711	(\$349)	
<b><u>Total</u></b>	<b><u>\$11,715</u></b>	<b><u>\$7,253</u></b>	<b><u>\$10,913</u></b>	<b><u>\$6,911</u></b>	<b><u>(\$342)</u></b>	

Reflects direction of **charter** (vs. district) **funding gap** by WADA

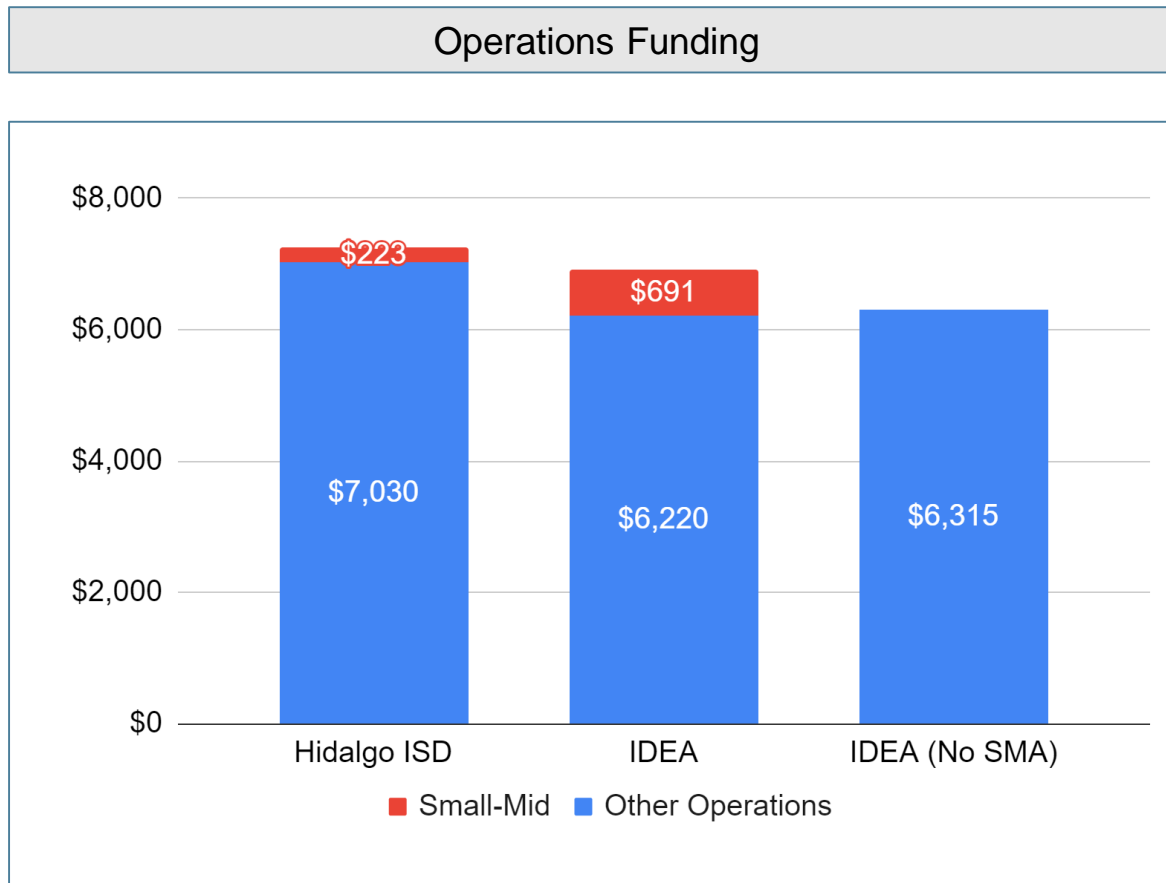
**While Tier 1 funding between Hidalgo ISD and IDEA is nearly identical, Hidalgo ISD’s relatively high Tier 2 tax rate results in Tier 2 revenues above the average on which charter school funding in Tier 2 is based.**

... however, IDEA receives significantly less facilities funding at ~\$800 less per student than Hidalgo ISD

	Hidalgo ISD	IDEA	Gap	
	Per ADA	Per ADA	Per ADA	
<b>Facilities, Local</b>	\$468	\$0	(\$468)	↓
<b>Facilities, State</b>	\$582	\$203	(\$379)	↓
<b><u>Facilities Total</u></b>	<b><u>\$1,050</u></b>	<b><u>\$203</u></b>	<b><u>(\$847)</u></b>	↓

Reflects direction of charter (vs. district) funding gap

# Recent policy changes narrow the operations funding gap between Hidalgo ISD and IDEA



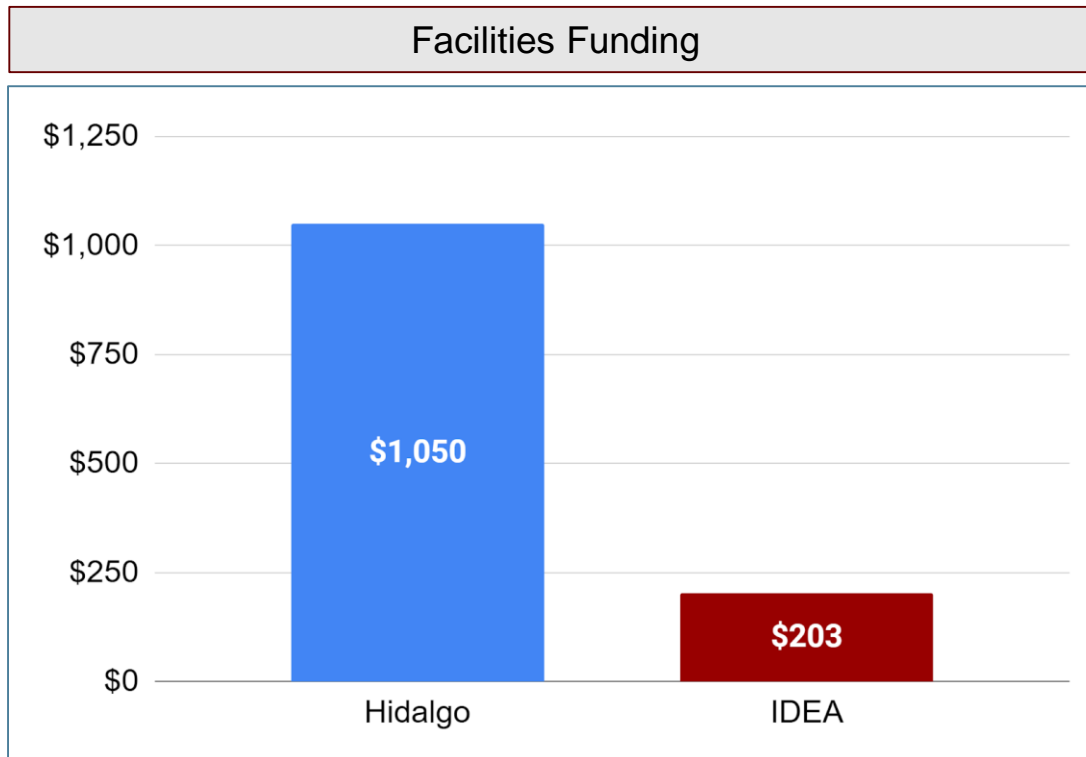
Currently, the Small and Mid-Sized District Allotment narrows the funding disparity between IDEA and Hidalgo ISD by **\$691**.

However, **without that policy**, and after accounting for the subsequent change to IDEA's WADA calculation, **IDEA would receive \$1,034 less than Hidalgo ISD per WADA**.

<sup>1</sup>The SMA affects the determination of WADA because SMA is one of the district "weights" in Tier 1. As a result, removing the SMA requires recalculating WADA after excluding those revenues. Absent this adjustment, the funding gap resulting from removing the SMA would appear larger than it is.

# There is a considerable disparity in facilities funding between Hidalgo ISD and IDEA

**The charter facilities allotment reduces the disparity in funding for instructional space, but the gap nevertheless remains significant.**



There is a dramatic disparity in facilities funding between Hidalgo ISD and IDEA. Hidalgo ISD receives \$846 more per student than IDEA.

This disparity is driven by the fact that charter schools are ineligible for local revenues or state facilities funding streams accessible to traditional school districts.

Note that this analysis does not consider the relative cost of facilities in either setting.

# Above-average tax rates and facilities funding drives funding differences between Hidalgo ISD and IDEA

## Key drivers of funding differences

1

### Tier 1

On a per-WADA basis, funding between Hidalgo ISD and IDEA is quite equitable.

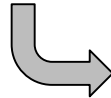


The result is an additional \$7 per weighted student at IDEA in Tier 1.

2

### Tier 2

Hidalgo ISD generates a greater Tier 2 entitlement. IDEA's Tier 2 revenues are tied to the state average, less than HISSD receives due to its relatively high tax rate.

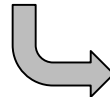


The result is an additional \$349 per weighted student at Hidalgo ISD and a net operations funding advantage for the district of \$342 per WADA.

3

### Facilities

Hidalgo ISD has significantly more facilities funding per student than IDEA. Hidalgo ISD receives a mix of state and local funding for facilities.



The result is an additional \$1,844 per student at Hidalgo ISD.



# Summary: Across eight communities assessed, we saw a three-to-five split in relative ops funding advantage between districts and charters

Location	District		Charter		Gap
	Per ADA	Per WADA	Per ADA	Per WADA	Per WADA
<b>Austin</b>	\$10,104	\$7,275	\$11,770	\$7,086	<b><u>(\$428)</u></b>
<b>Dallas</b>	\$11,215	\$7,220	\$10,941	\$6,911	<b><u>(\$309)</u></b>
<b>Houston</b>	\$9,439	\$6,553	\$10,668	\$6,942	<b><u>\$389</u></b>
<b>Northside</b>	\$8,640	\$6,590	\$10,914	\$6,910	<b><u>\$321</u></b>
<b>Hidalgo</b>	\$11,716	\$7,253	\$10,914	\$6,910	<b><u>(\$342)</u></b>
<b>Richardson</b>	\$9,910	\$7,207	\$10,723	\$7,066	<b><u>(\$140)</u></b>
<b>Pflugerville</b>	\$9,305	\$6,778	\$9,806	\$6,871	<b><u>\$93</u></b>
<b>Austin v. Harmony</b>	\$10,104	\$7,275	\$10,705	\$6,897	<b><u>(\$377)</u></b>

In reality, the FSP plays out differently by location, driven by variations in local demographics, property wealth, and tax rate decisions.

# Summary: Across the eight cities assessed, every district had access to more facilities funding compared to charters

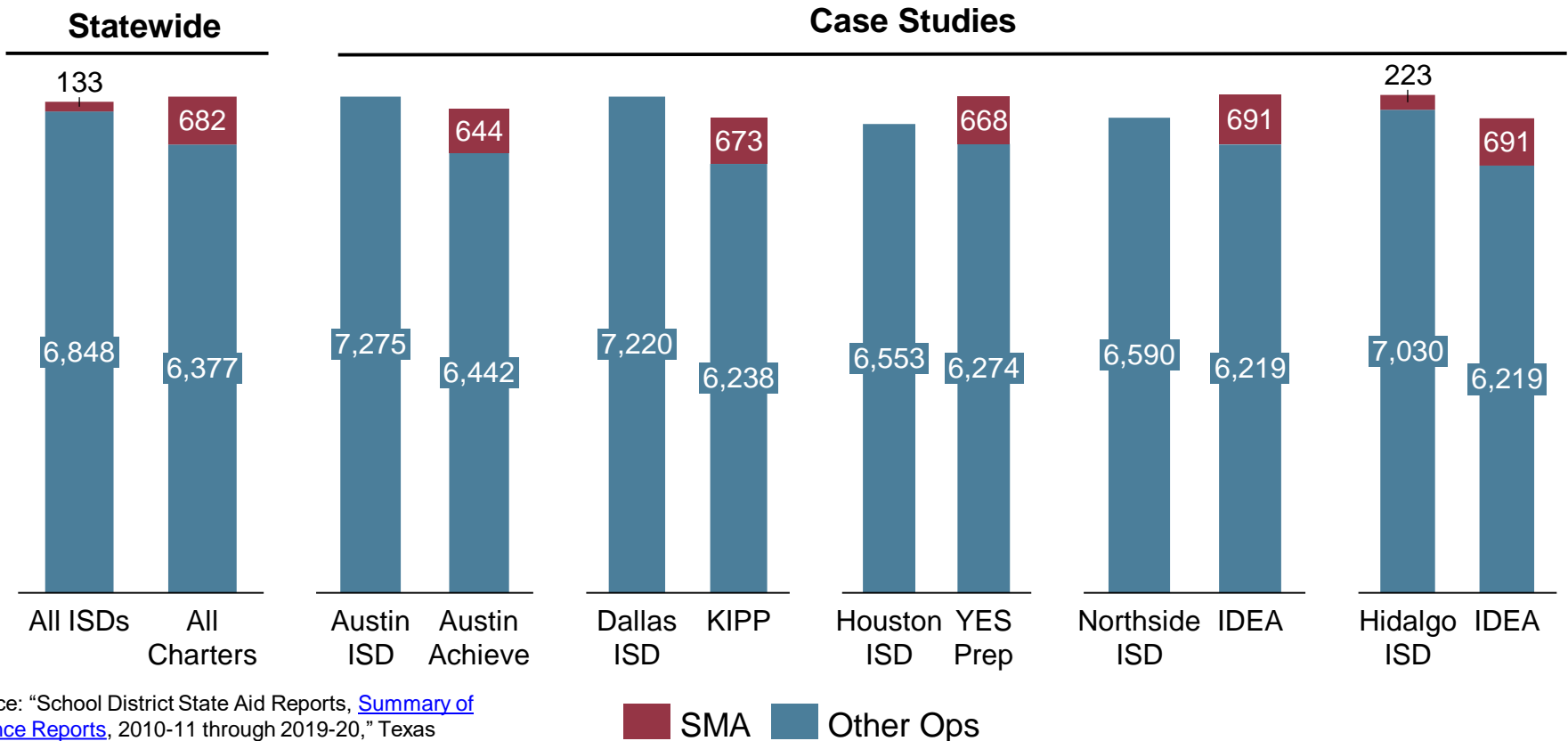
Location	District	Charter	Gap
<b>Austin</b>	\$2,132	\$203	<b><u>(\$1,929)</u></b>
<b>Dallas</b>	\$2,406	\$203	<b><u>(\$2,203)</u></b>
<b>Houston</b>	\$1,691	\$203	<b><u>(\$1,488)</u></b>
<b>Northside</b>	\$2,048	\$203	<b><u>(\$1,844)</u></b>
<b>Hidalgo</b>	\$1,050	\$203	<b><u>(\$846)</u></b>
<b>Richardson</b>	\$2,371	\$203	<b><u>(\$2,168)</u></b>
<b>Pflugerville</b>	\$2,963	\$203	<b><u>(\$2,760)</u></b>
<b>Austin v. Harmony</b>	\$2,132	\$203	<b><u>(\$1,929)</u></b>

The structural differences in how facilities are funded for districts versus charters drive substantial differences in access to funding for instructional space.

# The SMA for charters narrowed or eliminated the ops funding gap for charters statewide and in our case studies

On a statewide basis charter eligibility for the SMA increased charter funding to near parity with school districts, though relative comparisons at the local level among our case study sites vary.

Eliminating charter eligibility for the SMA would create an operations funding disadvantage for charters. In our case studies, that disadvantage would have ranged from \$183 to \$1,034 per weighted student in SY2019-20.



Source: "School District State Aid Reports, [Summary of Finance Reports](#), 2010-11 through 2019-20," Texas Education Agency, Foundation School Program.

# Table of Contents

---

Introduction

How the FSP Formula Works

Case Studies: How Funding Differences Play  
Out at the Local Level

***Key Takeaways and Policy Considerations***

# Summary of key takeaways on district vs. charter funding equity in Texas

1

**Texas has made strides in funding equity in operations funding across the state generally and specifically between school districts and charters.**

With revisions from House Bill 3, 86th Legislature, Regular Session, 2019, Tier 1, in particular, delivers funding quite equitably on average, not only between districts and charters but also among districts that are more or less property wealthy.

Tier 2 retains some features affecting equity among districts and between districts and charters. Basing charter school funding on statewide averages means that within local communities, charter schools may receive more or less funding than local district schools based on the school district's taxing decisions and local property values. Differences in funding in Tier 2 account for some of the biggest differences in funding between charters and local school districts.

As a result, after adjusting for differences in student and district characteristics that state policy associates with additional instructional cost, **differences in funding for operations between charters and districts and among districts are primarily a function of local district property wealth and taxing decisions.**

2

**Facilities remains a big opportunity to improve equity between the Texas districts and charter schools.**

School districts have substantially greater access to funding for facilities than charter schools, largely due to access to local bonding authority and associated tax revenues.

# As lawmakers consider equity among districts and between districts and charters, here are some questions to consider

- 1** When viewing funding comparisons among districts and between districts and charters, it is important to understand what is being compared.
  - Is it operations funding only? Facilities funding only? Or both?
  - What is the basis of comparison? Does it adjust for differences in student needs, programs, or district factors (and therefore costs) or not?
- 2** What drives the differences, and are they unique to the specific local context or common across the state?
  - Are differences in funding linked to differences in student needs? District or charter characteristics?
  - Are differences in funding linked to local taxing decisions or property values?
- 3** Are policy differences based on real differences in how schools operate or what students and families need?
- 4** Are policy differences fair and equitable? Do they place disproportionate burden on districts or charters, on taxpayers, or on families or students seeking schools that fit their needs?

# Policy consideration 1: Tier 2

---

## **Consider determining charter school Tier 2 on more of a local basis**

Basing charter school Tier 2 on statewide average tax effort means that Tier 2 funding for charters may be quite different from funding in the districts in which they operate, as shown across the case studies.

The state could consider basing charter school Tier 2 funding on a more locally determined basis, which would increase equity in the resources available to all public schools on behalf of students and within the communities charter schools most commonly serve.

It would likely be operationally complex to implement, and some charters would receive more funding, and others less, than they currently receive. But charters would then have “skin in the game” in local tax rate elections, particularly when changes to Tier 2 rates are considered.

Net fiscal impact is unknown.

## Policy consideration 2: Small and Mid-Sized District Allotment

---

### **Retain, revise, or replace the SMA for charters, but don't simply eliminate it**

The SMA contributes to reducing overall funding inequity between charters and districts, as shown by the closure of the operations funding gap with its implementation for the 2019-20 school year.

It may be arguable that the original purpose of the SMA, to compensate for differences in costs and diseconomies of scale experienced by school districts serving small numbers of students, student populations dispersed over a large geographic area, or both, should not apply to all charter networks the same way. However, on average, the SMA has improved overall equity between districts and charters in operations funding.

Removing it without replacing those funds through an alternative mechanism would increase inequity in resources available to serve students across the two public school sectors.



## Policy consideration 3: Facilities equity

### Reconsider charter facilities funding structures to improve fiscal and structural equity

Texas does more than most states to support charter school facilities costs, but the state should consider facilities funding policy changes that would treat charters and districts more equitably. Facilities funding policies need not be the same where there are real differences in cost structures, but current policy requires most, if not all, charters to dip into operations funding to secure instructional space. The state should consider:

- **Determining the gap between current charter school facilities costs and revenues.** Because charter schools do not always own their buildings as districts typically do, their costs may be very different. The \$60 million cap on the current Charter Facilities Allotment is, however, undoubtedly too low to fully cover facilities costs. Determining the magnitude of unmet costs was beyond the scope of this analysis, but would be a valuable input into the policy conversation.
- **Removing the link to accountability ratings for charter eligibility for facilities funding.** Access to instructional space is foundational to offering a quality instructional program. Districts are not held to a similar standard, and charters operating in good standing should be treated similarly. The state has other avenues for addressing low performance through its authorizing authority and state accountability systems.

# Acknowledgments

---

## Acknowledgments

Bellwether thanks the Texas Charter School Association and IDEA Public Schools for financial support for this work. We would like to thank our Bellwether colleague Tanya Skubiak for her insight and support in developing the report, Super Copy Editors for professional copy editing, and the Texas Education Agency for its commitment to transparency in publishing and sharing data publicly, enabling this analysis.

The views and analysis in this report are the responsibility of the authors alone, as are any errors of fact or omission.

## About the Authors

Jennifer O’Neal Schiess is a partner on the Policy and Evaluation team at Bellwether Education Partners. She can be reached at [jennifer.schiess@bellwethereducation.org](mailto:jennifer.schiess@bellwethereducation.org)

Max Marchitello is a former senior analyst on the Policy and Evaluation team at Bellwether Education Partners

## About Bellwether Education Partners

Bellwether Education Partners is a national nonprofit focused on dramatically changing education and life outcomes for underserved children. We do this by helping education organizations accelerate their impact and by working to improve policy and practice.

Bellwether envisions a world in which race, ethnicity, and income no longer predict opportunities for students, and the American education system affords all individuals the ability to determine their own path and lead a productive and fulfilling life.

# Appendix

# Appendix A: Eligibility for Tier 1 Allotments, 1 of 2

Tier 1 Allotment	TEC Citation	District Eligibility	Charter Eligibility
Small and Mid-Sized Allotment	48.101 (ISD) 12.106(a-2) (charter)	Districts with fewer than 5,000 students	All (funding based on statewide average of district amounts)
Special Education	48.102	Based on students served in program	Same as district
Dyslexia or Related Disorder	48.103	Based on students served in program	Same as district
Compensatory Education	48.104	Based on economic disadvantage	Same as district
Bilingual Education	48.105	Based on students served in program	Same as district
Career and Technology Education	48.106	Based on students served in program	Same as district
Public Education Grant	48.107	Based on student participation in PEG	Same as district
Early Education	48.108	Based on students in K-3 who are educationally disadvantaged or DLL/ELL	Same as district
College-, Career-, or Military-Readiness Outcomes	48.110	Based on cohort graduation rates	Same as district
Fast Growth	48.111	Top quartile of enrollment growth	Not eligible
Teacher Incentive	48.112	Based on teacher qualifications/ratings	Same as district
Mentor Program	48.114	Based on implementation of qualifying program	Same as district

# Appendix A: Eligibility for Tier 1 Allotments, 2 of 2

Tier 1 Allotment	TEC Citation	District Eligibility	Charter Eligibility
Transportation	48.151	All districts operating transportation service	Same as district
New Instructional Facility	48.152	Has a facility in first year of operation serving students	Same as district
Dropout Recovery and Residential Placement Facility	48.153	Based on student participation in qualifying program	Same as district
Tuition Allotment for Districts w/o All Grade Levels	48.154	District contracts for students to be served in another district	Same as district
College Prep Assessment Reimbursement	48.155	One administration per student of PSAT, SAT, ACT	Same as district
Certification Examination Reimbursement	48.156	One administration of industry certification exam for CTE students	Same as district

# Appendix B: Detailed Financial Tables, Austin ISD

		Allocation	Per ADA	Per WADA
Tier 1	Regular Program	\$391,792,564	\$5,596	\$4,029
	Small and Mid-Sized	\$0	\$0	\$0
	Special Education	\$73,332,922	\$1,048	\$754
	Dyslexia	\$4,037,264	\$58	\$42
	Compensatory Education	\$66,936,327	\$956	\$688
	Bilingual Program	\$14,883,015	\$213	\$153
	Career and Technology	\$28,860,298	\$412	\$287
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$12,330,614	\$176	\$127
	CCMR Outcomes Bonus	\$5,042,000	\$72	\$52
	Fast Growth	\$0	\$0	\$0
	School Safety	\$680,466	\$10	\$7
	New Instructional Facilities	\$0	\$0	\$0
	Dropout Recovery and Residential	\$75,135	\$1	\$1
Tier 2	Level I	\$104,032,569	\$1,486	\$1,070
	Level II	\$0	\$0	\$0
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$148,764,870	\$2,125	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$483,442	\$7	-
	Charter Facilities Fund	\$0	\$0	-

# Appendix B: Detailed Financial Tables, Achieve Austin

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$9,672,360	\$5,920	\$3,564
	Small and Mid-Sized	\$1,747,576	\$1,070	\$644
	Special Education	\$1,295,820	\$793	\$477
	Dyslexia	\$589,545	\$12	\$8
	Compensatory Education	\$2,770,459	\$1,695	\$1,021
	Bilingual Program	\$603,740	\$369	\$222
	Career and Technology	\$206,506	\$126	\$76
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$379,240	\$232	\$140
	CCMR Outcomes Bonus	\$0	\$0	\$0
	Fast Growth	\$0	\$0	\$0
	School Safety	\$15,882	\$10	\$6
	New Instructional Facilities	\$520,630	\$319	\$192
Dropout Recovery and Residential	\$0	\$0	\$0	
Tier 2	Level I	\$1,585,921	\$971	\$584
	Level II	\$342,768	\$210	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$331,729	\$203	-

# Appendix B: Detailed Financial Tables, Dallas ISD

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$702,797,443	\$5,264	\$3,620
	Small and Mid-Sized	\$0	\$0	\$0
	Special Education	\$101,284,446	\$810	\$522
	Dyslexia	\$3,883,264	\$31	\$20
	Compensatory Education	\$213,050,262	\$1,705	\$1,098
	Bilingual Program	\$45,537,453	\$364	\$235
	Career and Technology	\$60,508,958	\$484	\$312
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$33,924,782	\$271	\$175
	CCMR Outcomes Bonus	\$3,924,000	\$31	\$20
	Fast Growth	\$0	\$0	\$0
	School Safety	\$1,214,722	\$10	\$6
	New Instructional Facilities	\$61,516	\$0.5	\$0.32
Dropout Recovery and Residential	\$379	\$0	\$0	
Tier 2	Level I	\$146,552,022	\$1,173	\$755
	Level II	\$53,378,608	\$427	\$275
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$298,777,533		-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$1,887,381		-
	Charter Facilities Fund	\$0	\$0	-



# Appendix B: Detailed Financial Tables, KIPP

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$146,750,531	\$5,900	\$3,727
	Small and Mid-Sized	\$23,503,080	\$1,066	\$673
	Special Education	\$14,172,758	\$570	\$360
	Dyslexia	\$616	\$0	\$0
	Compensatory Education	\$39,252,205	\$1,578	\$997
	Bilingual Program	\$5,184,228	\$208	\$132
	Career and Technology	\$3,551,405	\$143	\$90
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$6,587,384	\$265	\$167
	CCMR Outcomes Bonus	\$200,000	\$8	\$5
	Fast Growth	\$0	\$0	\$0
	School Safety	\$241,756	\$10	\$6
	New Instructional Facilities	\$0	\$0	\$0
	Dropout Recovery and Residential	\$0	\$0	\$0
Tier 2	Level I	\$23,006,071	\$925	\$584
	Level II	\$4,972,340	\$200	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$5,049,546	\$203	-

# Appendix B: Detailed Financial Tables, Houston ISD

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$996,185,664	\$5,730	\$3,978
	Small and Mid-Sized	\$0	\$0	\$0
	Special Education	\$114,218,886	\$456	\$381
	Dyslexia	\$3,301,144	\$19	\$13
	Compensatory Education	\$266,202,552	\$1,534	\$1,065
	Bilingual Program	\$38,560,624	\$222	\$154
	Career and Technology	\$68,796,280	\$396	\$275
	Public Education Grant	\$602	\$0	\$0
	Early Education	\$45,081,069	\$259	180
	CCMR Outcomes Bonus	\$7,627,000	\$44	\$30
	Fast Growth	\$0	\$0	\$0
	School Safety	\$1,689,973	\$10	\$7
	New Instructional Facilities	\$223,986	\$1	\$1
	Dropout Recovery and Residential	\$116,863	\$1	\$0
Tier 2	Level I	\$89,843,887	\$517	\$359
	Level II	\$0	\$0	\$0
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$291,776,881	\$1,678	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$2,239,122	\$13	-
	Charter Facilities Fund	\$0	-	-

# Appendix B: Detailed Financial Tables, YES Prep

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$62,034,843	\$5,670	\$3,696
	Small and Mid-Sized	\$11,209,728	\$1,026	\$668
	Special Education	\$1,348,659	\$585	\$381
	Dyslexia	\$9,238	\$1	\$1
	Compensatory Education	\$17,222,628	\$1,580	\$1,028
	Bilingual Program	\$2,927	\$0	\$0
	Career and Technology	\$4,518,934	\$414	\$269
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$0	\$0	\$0
	CCMR Outcomes Bonus	\$1,249,000	\$114	\$74
	Fast Growth	\$0	\$0	\$0
	School Safety	\$106,163	\$10	\$7
	New Instructional Facilities	\$281,130	\$26	\$17
	Dropout Recovery and Residential	\$0	\$0	\$0
Tier 2	Level I	\$9,806,276	\$898	\$584
	Level II	\$2,119,447	\$194	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund			

# Appendix B: Detailed Financial Tables, Northside ISD

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$548,345,053	\$5,962	\$4,341
	Small and Mid-Sized	\$0	\$0	\$0
	Special Education	\$90,162,518	\$936	\$714
	Dyslexia	\$2,246,552	\$23	\$18
	Compensatory Education	\$76,939,469	\$799	\$609
	Bilingual Program	\$4,753,619	\$49	\$38
	Career and Technology	\$39,193,585	\$407	\$310
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$10,665,134	\$111	\$84
	CCMR Outcomes Bonus	\$4,513,000	\$47	\$36
	Fast Growth	\$0	\$0	\$0
	School Safety	\$936,454	\$10	\$7
	New Instructional Facilities	\$45,382	\$0	\$0
Dropout Recovery and Residential	\$67,044	\$1	\$1	
Tier 2	Level I	\$49,301,660	\$512	\$390
	Level II	\$0	\$0	\$0
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$194,582,022	\$2,020	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$2,667,151	\$28	-
	Charter Facilities Fund	\$0	\$0	-

# Appendix B: Detailed Financial Tables, IDEA

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$268,283,322	\$6,050	\$3,830
	Small and Mid Sized	\$48,383,513	\$1,091	\$691
	Special Education	\$20,443,932	\$461	\$292
	Dyslexia	\$161,971	\$4	\$2
	Compensatory Education	\$67,050,729	\$1,512	\$957
	Bilingual Program	\$10,348,419	\$233	\$148
	Career and Technology	\$450,219	\$10	\$6
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$14,022,922	\$316	\$200
	CCMR Outcomes Bonus	\$1,697,000	\$38	\$24
	Fast Growth	\$0	\$0	\$0
	School Safety	\$431,054	\$10	\$6
	New Instructional Facilities	\$1,095,168	\$25	\$16
Dropout Recovery and Residential	\$0	\$0	\$0	
Tier 2	Level I	\$40,922,810	\$923	\$584
	Level II	\$8,844,714	\$199	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$	\$	-

# Appendix B: Detailed Financial Tables, Hidalgo ISD

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$14,691,545	\$5,493	\$3,400
	Small and Mid-Sized	\$961,151	\$359	\$222
	Special Education	\$1,864,084	\$697	\$431
	Dyslexia	\$14,784	\$6	\$3
	Compensatory Education	\$4,550,538	\$1,701	\$1,053
	Bilingual Program	\$1,403,975	\$523	\$325
	Career and Technology	\$1,913,628	\$715	\$443
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$734,394	\$275	\$170
	CCMR Outcomes Bonus	\$448,000	\$168	\$104
	Fast Growth	\$0	\$0	\$0
	School Safety	\$25,998	\$10	\$6
	New Instructional Facilities	\$0	\$0	\$0
	Dropout Recovery and Residential	\$0	\$0	\$0
Tier 2	Level I	\$3,355,699	\$1,255	\$777
	Level II	\$1,224,319	\$458	\$283
Facilities	EDA	\$551,686	\$206	-
	I&S Taxes	\$1,250,642	\$468	-
	Instructional Facilities	\$1,004,189	\$375	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$0	\$0	-

# Appendix B: Detailed Financial Tables, Harmony PS

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$21,402,015	\$5,670	\$3,653
	Small and Mid-Sized	\$3,868,109	\$1,025	\$660
	Special Education	\$2,238,991	\$593	\$382
	Dyslexia	\$83,141	\$22	\$14
	Compensatory Education	\$4,292,397	\$1,164	\$750
	Bilingual Program	\$1,013,852	\$269	\$173
	Career and Technology	\$1,588,188	\$421	\$271
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$844,312	\$224	\$144
	CCMR Outcomes Bonus	\$321,000	\$85	\$55
	Fast Growth	\$0	\$0	\$0
	School Safety	\$36,689	\$10	\$6
	New Instructional Facilities	\$0	\$0	\$0
	Dropout Recovery and Residential	\$0	\$0	\$0
Tier 2	Level I	\$3,423,135	\$907	\$584
	Level II	\$739,848	\$196	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$766,318	\$203	-

# Appendix B: Detailed Financial Tables, Richardson ISD

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$201,605,201	\$5,659	\$4,115
	Small and Mid-Sized	\$0	\$0	\$0
	Special Education	\$33,359,242	\$936	\$681
	Dyslexia	\$1,976,744	\$55	\$40
	Compensatory Education	\$35,504,528	\$997	\$725
	Bilingual Program	\$6,151,616	\$173	\$126
	Career and Technology	\$13,903,735	\$390	\$284
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$6,643,447	\$186	\$136
	CCMR Outcomes Bonus	\$2,161,000	\$61	\$44
	Fast Growth	\$0	\$0	\$0
	School Safety	\$346,307	\$10	\$7
	New Instructional Facilities	\$0	\$0	\$0
Dropout Recovery and Residential	\$0	\$0	\$0	
Tier 2	Level I	\$36,842,107	\$1,034	\$752
	Level II	\$13,423,467	\$377	\$274
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$83,880,452	\$2,345	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$592.321	\$17	-
	Charter Facilities Fund	\$0	\$0	-



# Appendix B: Detailed Financial Tables, Winfree

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$5,427,787	\$5,480	\$3,611
	Small and Mid-Sized	\$983,653	\$993	\$654
	Special Education	\$962,476	\$971	\$640
	Dyslexia	\$65,281	\$66	\$43
	Compensatory Education	\$1,132,351	\$1,143	\$753
	Bilingual Program	\$94,963	\$96	\$63
	Career and Technology	\$577,562	\$583	\$384
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$0	\$0	\$0
	CCMR Outcomes Bonus	\$0	\$0	\$0
	Fast Growth	\$0	\$0	\$0
	School Safety	\$9,628	\$10	\$6
	New Instructional Facilities	\$0	\$0	\$0
	Dropout Recovery and Residential	\$238,366	\$241	\$159
Tier 2	Level I	\$878,260	\$887	\$584
	Level II	\$189,820	\$192	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$201,100	\$203	-

# Appendix B: Detailed Financial Tables, Pflugerville ISD

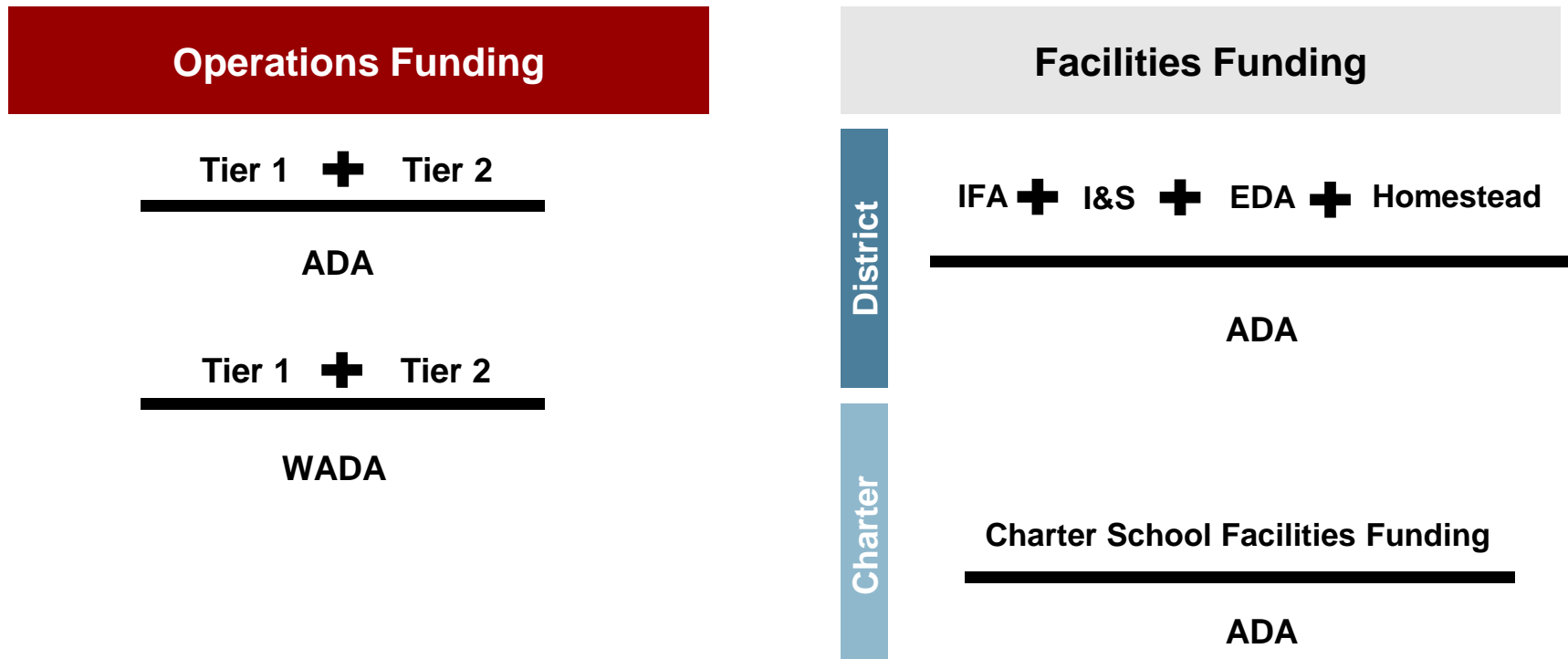
	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$134,394,519	\$5,562	\$4,051
	Small and Mid-Sized	\$0	\$0	\$0
	Special Education	\$22,343,490	\$925	\$674
	Dyslexia	\$603,064	\$25	\$18
	Compensatory Education	\$19,616,073	\$812	\$591
	Bilingual Program	\$3,844,106	\$159	\$116
	Career and Technology	\$12,434,580	\$515	\$375
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$3,451,075	\$143	\$104
	CCMR Outcomes Bonus	\$1,342,000	\$56	\$40
	Fast Growth	\$5,953,842	\$246	\$179
	School Safety	\$234,867	\$10	\$7
	New Instructional Facilities	\$0	\$0	\$0
Dropout Recovery and Residential	\$2,679	\$0	\$0	
Tier 2	Level I	\$19,158,706	\$793	\$578
	Level II	\$0	\$0	\$0
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$70,988	\$2,938	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$616,972	\$26	-
	Charter Facilities Fund	\$0	\$0	-

# Appendix B: Detailed Financial Tables, NYOS

	Allocation	Per ADA	Per WADA	
Tier 1	Regular Program	\$5,502,009	\$5,700	\$3,994
	Small and Mid-Sized	\$994,704	\$1,031	\$722
	Special Education	\$710,579	\$736	\$516
	Dyslexia	\$32,641	\$34	\$24
	Compensatory Education	\$535,722	\$555	\$389
	Bilingual Program	\$122,335	\$127	\$89
	Career and Technology	\$371,508	\$385	\$270
	Public Education Grant	\$0	\$0	\$0
	Early Education	\$128,642	\$133	\$93
	CCMR Outcomes Bonus	\$74,000	\$77	\$54
	Fast Growth	\$0	\$0	\$0
	School Safety	\$9,382	\$10	\$7
	New Instructional Facilities	\$0	\$0	\$0
	Dropout Recovery and Residential	\$0	\$0	\$0
Tier 2	Level I	\$804,911	\$834	\$584
	Level II	\$173,967	\$180	\$126
Facilities	EDA	\$0	\$0	-
	I&S Taxes	\$0	\$0	-
	Instructional Facilities	\$0	\$0	-
	Homestead	\$0	\$0	-
	Charter Facilities Fund	\$195,966	\$203	-

# Appendix C: Methodology: Overview

To compare funding between traditional school districts and charter schools, we relied on statewide and district-level data from the Texas Education Association's Summary of Finance reports. These reports provided detailed data on funding entitlements and allocations for Tier 1, Tier 2, and facilities. The Summary of Finance reports also include (refined) ADA and WADA. With these data, we calculated operations funding per ADA and per WADA, as well as facilities funding per ADA:



# Appendix C: Methodology: Adjustments

## Adjusting WADA to demonstrate the impact of the SMA on funding

To demonstrate the financial impact of eliminating charter school eligibility for the Small and Mid-Sized District Allotment, we illustrated the per-WADA funding derived from the SMA and other operations. However, since the SMA is included in Tier 1 and influences a the calculation of WADA, we adjusted each charter school's WADA accordingly by subtracting its SMA from its Total Adjusted Tier 1 and then dividing by the Basic Allotment.

## Accounting for recapture in analysis of funding trends from 2016-2020

We used the following calculations to illustrate patterns in operations funding between traditional districts and charter schools between FY2016 and FY2020 (slide 28): We calculated school district operations by combining total state funding with total local operations funding and subtracting all state-level facilities funding as well as recaptured funds; charter school operations funding is based on the total state funding amount. To make the comparison, we then divide each total funding amount by the corresponding WADA. Note, due to changes in H.B. 3, for some districts, some or all of the value of the ASF per capita became subject to state recapture beginning in 2019-20, and the calculations for each year reflect the relevant statutory treatment of these funds.