

Appendix A: Foundation School Program Funding Formulas Summary, Pre- and Post-House Bill 3

| Funding Mechanism | Pre-HB 3 | Post-HB 3 |
|--|---|---|
| Basic Inputs | | |
| Basic Allotment (BA) | \$4,765 | \$6,160 |
| Cost of Education Index (CEI) | 0.02-0.20 | None |
| District Basic Allotment (DBA) | BA x TR/MCR | BA x TR/MCR |
| Adjusted Basic Allotment (ABA) | DBA x (1 + ((CEI - 1) x 0.71) + Small/Mid-Size District Allotment | DBA + Small/Mid-Size District Allotment |
| Maximum Compressed Rate (MCR) | \$1.00 | \$0.92- \$0.82 |
| Weighted Average Daily Attendance (WADA) | Select Tier I Entitlements/Basic Allotment | Select Tier I Entitlements/Basic Allotment |
| Small- and Mid-Size District Allotment | | |
| Districts < 1,600 Students and < 300 Square Miles | DBA x ((1,600-ADA) x 0.0025) | DBA x ((1,600-ADA) x .00047) |
| Districts < 1,600 Students | DBA x ((1,600-ADA) x 0.0004) | DBA x ((1,600-ADA) x 0.0004) |
| Districts < 5,000 Students | DBA x ((5,000-ADA) x 0.000025) | DBA x ((5,000-ADA) x 0.000025) |
| Tier I Entitlements | | |
| Regular Program [◇] | ABA x Regular Program ADA | DBA x Regular Program ADA |
| Career and Technology Education [◇] | 1.35 x Participating ADA x ABA | 1.10, 1.28, or 1.47 x Participating ADA x ABA, + \$50 x New Tech ADA |
| Special Education [◇] | 1.10 x Mainstream ADA x ABA Additional per disability | 1.15 x Mainstream ADA x ABA Additional per disability |
| Dyslexia [◇] | None | 0.10 x Participating ADA x DBA |
| Compensatory Education [◇] | 0.20 x EcoDis ADA x ABA | 0.225-0.275 x EcoDis ADA x DBA |
| Bilingual/English as a Second Language [◇] | 0.10 x Participating ADA x ABA | .05/.10/.15 x Participating ADA x DBA |

| Funding Mechanism | Pre-HB 3 | Post-HB 3 |
|---|--|--|
| Gifted and Talented [◇] | 0.12 x Participating ADA x ABA | 0.07 x Participating ADA x DBA |
| Public Education Grant Program [◇] | 0.10 x ADA x ABA | 0.10 x ADA x DBA |
| Teacher Incentive Allotment [◇] | None | \$3K-32K/Designated Teacher |
| Early Education Allotment [◇] | None | 0.10 x K-Third Grade Eligible ADA x DBA |
| High School Allotment [◇] | \$275 x HS ADA | None |
| School Safety Allotment [◇] | None | \$9.72 x ADA |
| Mentor Program Allotment [◇] | None | \$1,800 x New Teacher with Mentor |
| College, Career, Military Ready Bonus | None | \$2,000/\$3,000/\$5,000 x Annual Graduates |
| Fast Growth Allotment [◇] | None | 0.15/ 0.30/ 0.45 x ADA |
| Transportation Allotment | Rate/mile based on density for eligible students | \$1/mile for eligible students |
| New Instructional Facilities Allotment | \$250 x ADA | \$1,000 per ADA |
| Dropout Recovery/ Residential Allotment | None | \$275/ADA |
| College Prep Exam Reimbursement | None | Cost of Exam x Eligible Students |
| Certification Exam Reimbursement | None | Cost of Exam x Eligible Teachers |
| Tier II Entitlements | | |
| Level I | WADA x \$59.97 x Tax Rate | WADA x \$98.56 x Tax Rate |
| Level II | WADA x \$31.95 x Tax Rate | WADA x \$49.28 x Tax Rate |

Notes: [◇] indicates entitlements included in the WADA calculation. To assist school districts with the transition to the new funding formulas, the legislature included the Formula Transition Grant (TEC 48.277) and the Equalized Wealth Transition Grant (TEC 48.278). These grants guaranteed that school districts would receive at least the same level of per-student funding guaranteed by the funding formulas as they existed in 2019 through the 2024–25 school year. These transition grants accounted for a total of \$460 million in 2019–20, \$480 million in 2020–21, and \$250 million in 2021–22. Abbreviations: ABA- Adjusted Basic Allotment; ADA- Average Daily Attendance; BA-Basic Allotment; DBA-District Basic Allotment; EcoDis- Economically Disadvantaged; HS- High School, TR- Tax Rate; WADA- Weighted Average Daily Attendance.