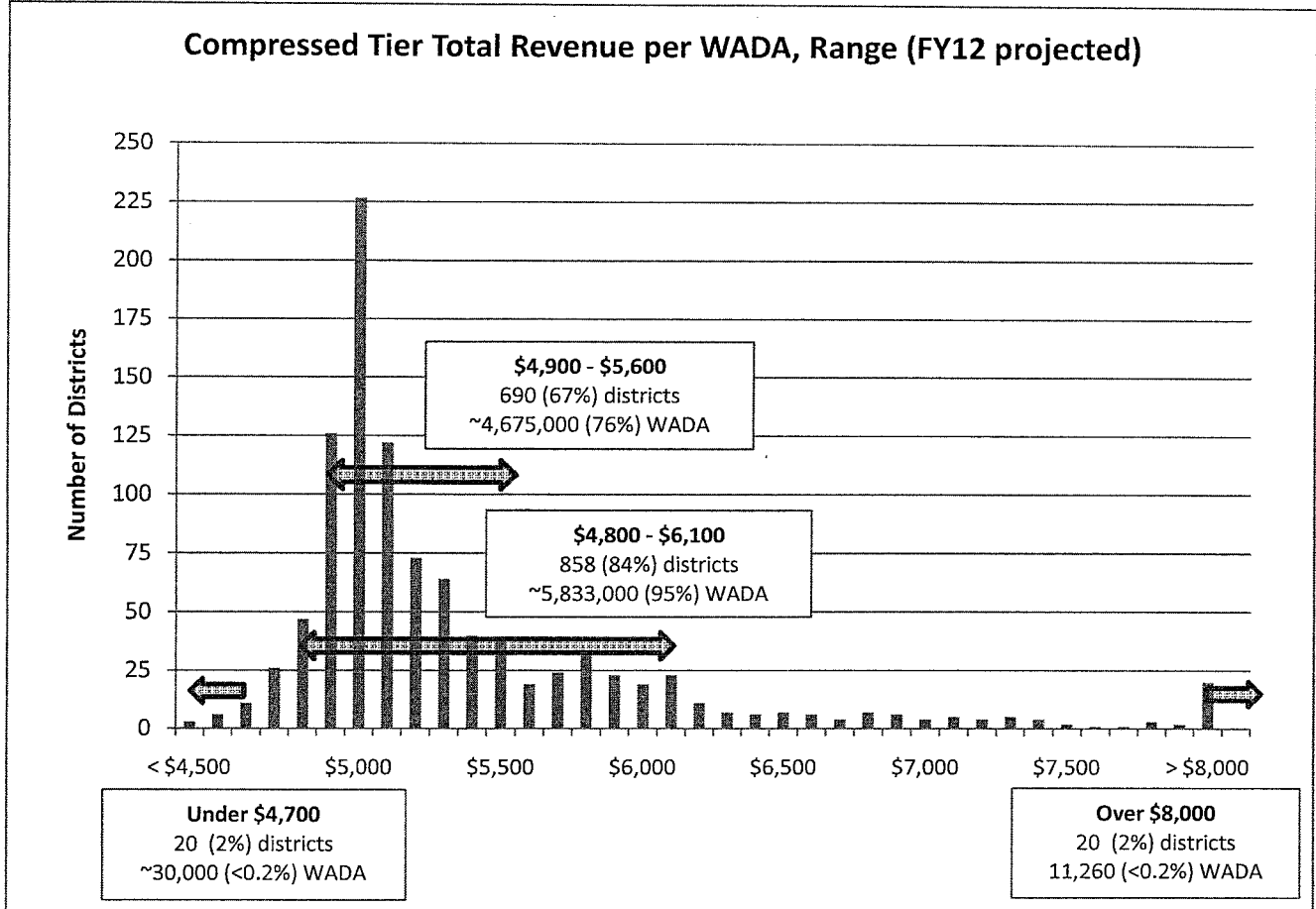


Select Committee on Public School Finance Weights, Allotments and Adjustments

John McGeady, LBB - September 16, 2010

Compressed Tier Total Revenue per WADA (FY12 projected)

Range: \$3,910 - \$13,090
 Simple Average: \$5,453
 Weighted Average: \$5,371



HB 3646: Movement toward a "Formula" System

Hold Harmless Districts: Local revenue and formula state aid generate LESS than compressed tier total revenue, requiring additional state aid (hold harmless) up to that level.

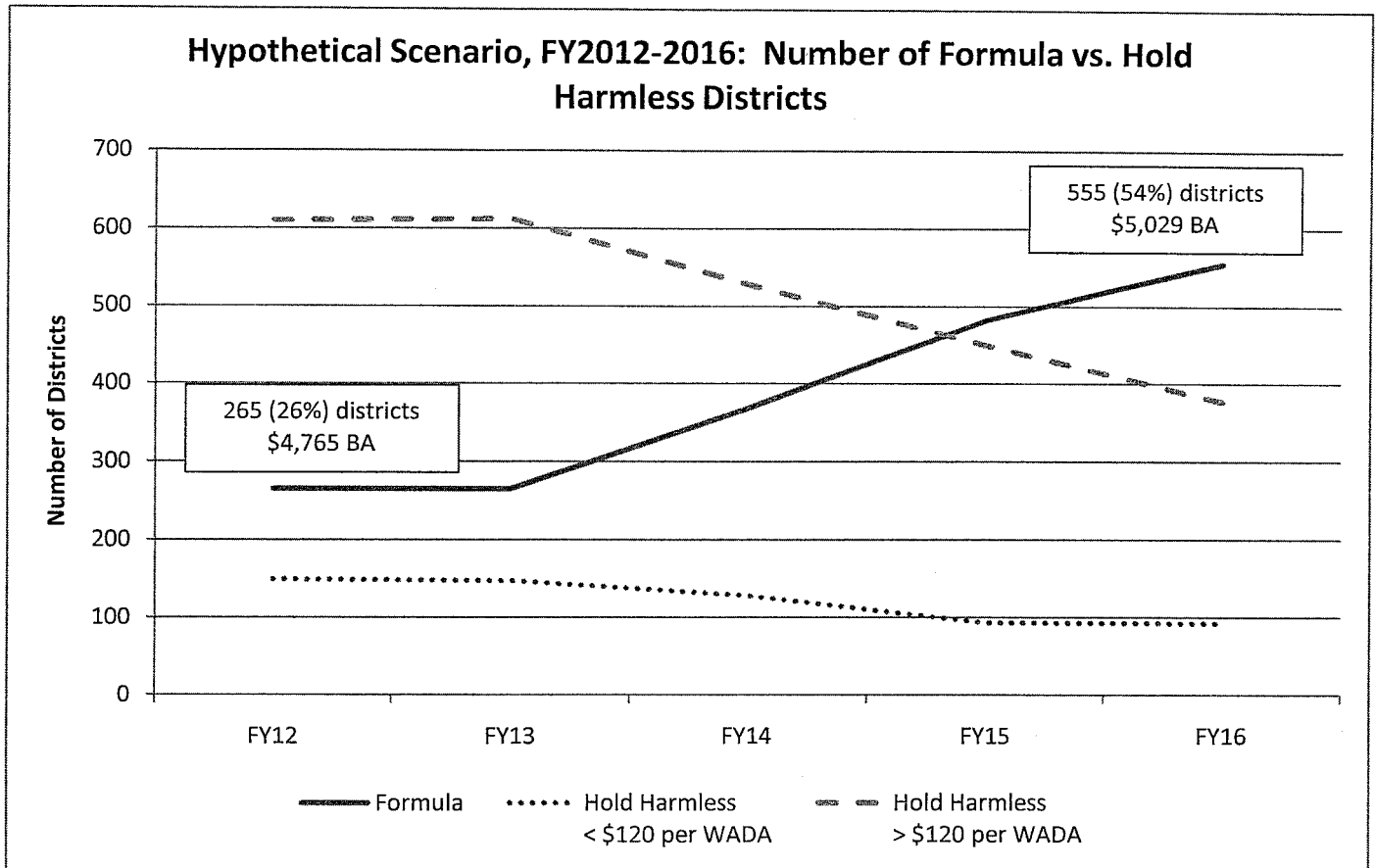
Formula Districts: Local revenue and formula state aid meet or exceed compressed tier total revenue.

	Formula	Hold Harmless < \$120 per WADA	Hold Harmless > \$120 per WADA
# of Districts	265	149	610
% of Districts	26%	15%	60%
% of WADA	36%	11%	53%
Avg Compressed Tier Total Revenue per WADA	\$4,926	\$5,033	\$5,737
Property Wealth per WADA Analysis	Almost 2/3 of formula districts have wealth per WADA < \$150,000		Of the 235 districts > \$319,500, 229 are HH districts

HB 3646: Basic Allotment / Equalized Wealth Level Driver

Basic Allotment: Greater of \$4,765 or product of statewide average property value per WADA and 0.0165. Reverts to \$4,765 in FY2014.

Hypothetical Scenario: Driver continues in FY2014-FY2016; property values increase by 1.3% in TY10 and by 4% in TY2011-2014.



Costs: The increase in the Basic Allotment and Equalized Wealth Level beginning in FY2014 would result in increased state aid costs compared to current law. Based on the assumptions described above, and other current model assumptions, below are rough estimates of state costs against current law:

FY2014-15 biennium: ~ \$700 million

FY2016-17 biennium: ~ \$2 billion