



FSP Method of Finance Breakdown

Texas Commission on Public School Finance

TEXAS EDUCATION AGENCY

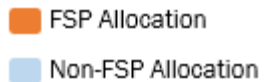
APRIL 19, 2018



State FSP Appropriation breakdown for the 2018–2019 Biennium (in millions)

Item	Amount	Percent	Notes
Foundation School Fund (Fund 193)	\$28,749.40	67%	The Foundation School Fund is an account within the General Revenue Fund used exclusively for the purpose of funding public education, largely funded by sales taxes, and occupation taxes and revenue.
Appropriated Receipts (Recapture)	\$4,570.90	11%	Appropriated Receipts (Recapture) is authorized by Chapter 41 of the Texas Education Code.
Property Tax Relief Fund	\$3,594.20	8%	Primarily funded through the franchise tax but also includes vehicle and tobacco sales taxes.
Available School Fund	\$3,443.90	8%	Primarily, funded from returns on the Permanent School Fund, 25% of state's motor fuels tax revenue, and transfers from the General Land Office (GLO).
Lottery Proceeds	\$2,613.50	6%	Approximately 60% of net lottery proceeds from the sale of Texas Lottery games is transferred to the FSP.
Total Appropriated State FSP	\$42,971.90	100%	The FSP is a sum-certain appropriation and the mix of component revenue streams may fluctuate.

Foundation School Fund breakdown for the 2018–2019 Biennium (in millions)

The Foundation School Fund accounts for 67% of the Total Appropriated State Foundation School Program.



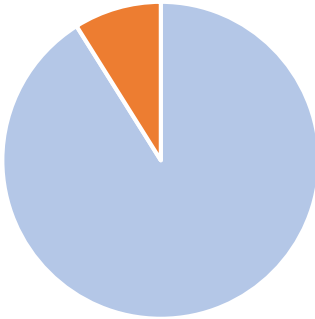
Item	Amount	Notes
Foundation School Fund (Fund 193)*	\$28,749.40	The Foundation School Fund (FSF) is an account within the General Revenue Fund used exclusively for the purpose of funding public education, largely funded by sales taxes, and occupation taxes and revenue.
		<p>Sales Taxes: collected at a rate of 6.25% and imposed on all retail sales, leases and rental of most goods, as well as taxable services (i.e. debt collections, security services, telecommunications, cable, etc.). Local taxing jurisdictions (cities, counties, etc.) can also impose up to 2% sales and use tax for a maximum combined rate of 8.25%.</p> <p>2018-19 Estimated FSP Allocation: \$25,567.03** 2018-19 Total Estimated All Funds Sales Tax Revenue: \$62,530.10**</p>
		<p>Occupation Taxes: 25% of occupation taxes, such as the oil production tax, natural gas production tax, and the gas, water and electric utility tax are constitutionally dedicated to public education and transferred to the FSF.</p> <p>2018-19 Estimated FSP Allocation: \$3,182.37** 2018-19 Total Estimated All Funds Oil and Natural Gas Related Tax Revenue: \$12,729.46**</p>

*Amount matches GAA as passed by the 85th Legislature

**Amount as estimated in the October 2017 Certification Revenue Estimate 2018-19 (CRE)

Appropriated Receipts breakdown for the 2018–2019 Biennium (in millions)

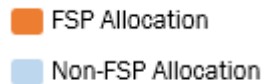
Appropriated Receipts (Recapture) accounts for 11% of the Total Appropriated State Foundation School Program.





Item	Amount	Notes
Appropriated Receipts (Recapture)*	\$4,570.90	Appropriated Receipts (Recapture) is authorized by Chapter 41 of the Texas Education Code.
		<p>These funds are local maintenance and operations (M&O) property taxes that are collected at the local school district level and are legally authorized to be sent back to the State for re-distribution through the FSP.</p> <p>2018-19 Total Estimated FSP Allocation from Appropriated Receipts: \$4,570.90 2018-19 Total Estimated Local M&O Tax Collections: \$51,204.50</p>

- Local M&O Collections Recaptured
- Local M&O Collections Retained

Property Tax Relief Fund breakdown for the 2018–2019 Biennium (in millions)

The Property Tax Relief Fund accounts for 8% of the Total Appropriated State Foundation School Program.



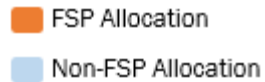
Item	Amount	Notes
Property Tax Relief Fund*	\$3,594.20	The Property Tax Relief Fund (PTRF) is a fund outside of General Revenue (Other Funds) and is funded primarily through the franchise tax, motor vehicle sales and use tax and taxes on tobacco products.
		Motor Vehicle Sales and Use Taxes: collected at a rate of 6.25% and imposed on a person who purchases a motor vehicle. 2018-19 Total Estimated FSP Allocation: \$48.92** 2018-19 Total Estimated All Funds Motor Vehicle and Sales Use Tax Revenue: \$9,927.73**
		Franchise Tax: imposed on an entity formed, organized or doing business in Texas; collections based on the taxable entity's margin (i.e. total revenue minus cost of goods sold). 2018-19 Total Estimated FSP Allocation: \$1,572.97** 2018-19 Total Estimated All Funds Franchise Tax Revenue: \$7,374.09**
		Cigarette and Tobacco Taxes: collection varies among products (i.e. cigarettes are collected at a rate of \$1.41 per pack) and imposed on those making the first sale in Texas. 2018-19 Total Estimated FSP Allocation: \$1,685.33** 2018-19 Total Estimated All Funds Cigarette and Tobacco Tax Revenue: \$2,881.97**
		Interest on State Deposits/Investments are deposited into the Property Tax Relief Fund. 2018-19 Total Estimated FSP Allocation: \$1.92**





*Amount matches GAA as passed by the 85th Legislature

**Amount as estimated in the October 2017 Certification Revenue Estimate 2018-19 (CRE)

Available School Fund breakdown for the 2018–2019 Biennium (in millions)

The Available School Fund accounts for 8% of the Total Appropriated State Foundation School Program.



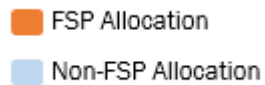
Item	Amount	Notes
Available School Fund*	\$3,443.90	The Available School Fund is primarily funded from returns on the Permanent School Fund (PSF), revenue from the state’s motor fuels tax revenue and a transfer from the General Land Office (GLO).
		Before each legislative session, the State Board of Education (SBOE) sets a rate of total return on all investment assets of the PSF that determines an amount to be distributed to the Available School Fund (ASF). The ASF allocates an annual distribution to school districts and funds the state’s instructional materials purchases (through a transfer to the Instructional Materials Fund). 2018-19 SBOE adopted distribution rate: 3.7% (cannot exceed 6%) 2018-19 Total Estimated FSP Allocation: \$1,362.20 (net of the \$1,090 million transfer to the Instruction Materials Fund)
		Interest deposited to the Available School Fund. 2018-19 Total Estimated FSP Allocation: \$1.70
		Motor Fuels Tax: Texas taxes three types of motor fuel: gasoline, diesel and liquefied and compressed natural gas. Gasoline and diesel fuel are taxed at \$0.20 per gallon; liquefied and compressed natural gas is taxed at a rate of \$0.15 per gasoline equivalent. 25% of the state’s motor fuels tax revenue is allocated to the ASF. 2018-19 Total Estimated FSP Allocation: \$1,824.44** 2018-19 Total Estimated All Funds Motor Fuels Tax Revenue: \$7,297.74**
		The General Land Office (GLO) may transfer up to \$300 million per year from holdings the GLO manages on behalf of the FSP. 2018-19 Total Estimated FSP Allocation: \$300.00


*Amount matches GAA as passed by the 85th Legislature

**Amount as estimated in the October 2017 Certification Revenue Estimate 2018-19 (CRE)

Lottery Proceeds breakdown for the 2018–2019 Biennium (in millions)

Lottery Proceeds account for 6% of the Total Appropriated State Foundation School Program.



Item	Amount	Notes
Lottery Proceeds*	\$2,613.50	Approximately 60% of net lottery proceeds from the sale of Texas Lottery games is transferred to the FSP.
		<p>Proceeds from the sale of the Texas Lottery games, net the cost of administering the lottery, retail commission, awarding prizes and deductions for the allocation for the support of veterans' assistance are dedicated to funding the FSP. Legislation passed in 2013, redirected the majority of unclaimed prize money formerly deposited to the General Revenue Fund to the FSP.</p> <p>2018-19 Total Estimated FSP Allocation: \$2,472.79** 2018-19 Total Estimated Net Lottery Proceeds: \$4,154.95**</p>