

Additional State Aid for Tax Reduction (ASATR)

Texas Education Code (TEC) and Texas Administrative Code (TAC) References

TEC, §42.2516; 19 TAC §61

History/Relevant Background Information

ASATR was authorized in House Bill (HB) 1 by the 79th Legislature, Third Called Session, 2006, and became effective May 26, 2006. Amended by: Acts 2007, 80th Leg., R.S., Ch. 235, Sec. 1, eff. September 1, 2007. Acts 2007, 80th Leg., R.S., Ch. 1191, Sec. 1, eff. September 1, 2007.

Year	ASATR
2006-2007	\$2,241,737,690
2007-2008	\$5,643,195,498
2008-2009	\$5,327,551,484
2009-2010	\$2,224,033,410
2010-2011*	\$1,638,024,569

*Legislative Planning Estimate

Description of Funding

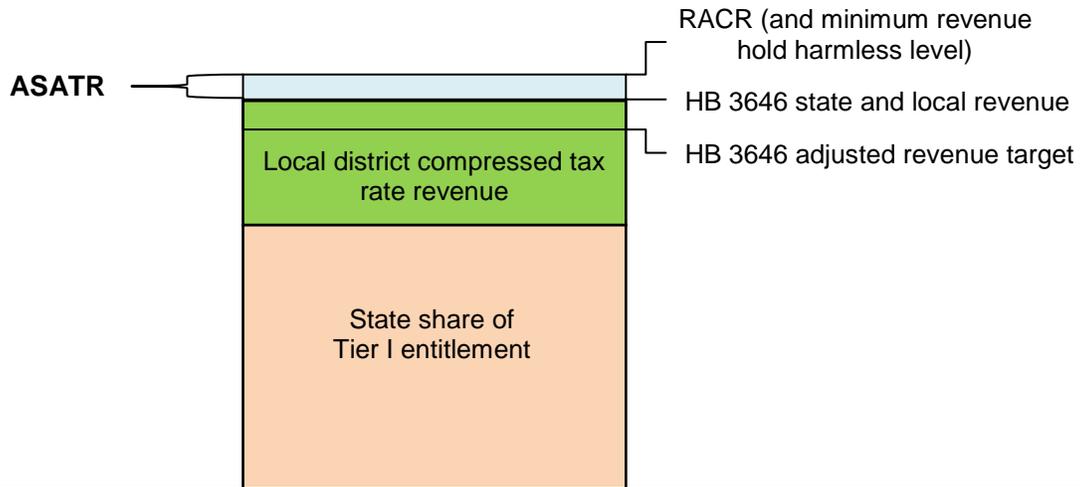
§42.2516(b) entitles school districts to ASATR. A school district that imposes a maintenance and operations (M&O) tax at a rate at least equal to the product of the state compression percentage multiplied by the M&O tax rate adopted by the district for the 2005 tax year is entitled to at least the amount of state revenue necessary to provide the district with the sum of:

- the amount of state and local revenue per student in weighted average daily attendance (WADA) for maintenance and operations that the district would have received during the 2009-2010 school year at an M&O tax rate equal to the product of state compression percentage for that year multiplied by the M&O tax rate adopted by the district for the 2005 tax year; and
- an amount equal to the product of \$120 multiplied by the WADA for the district; and
- an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone in the current year; and
- any amount to which the district is entitled under § 42.106.

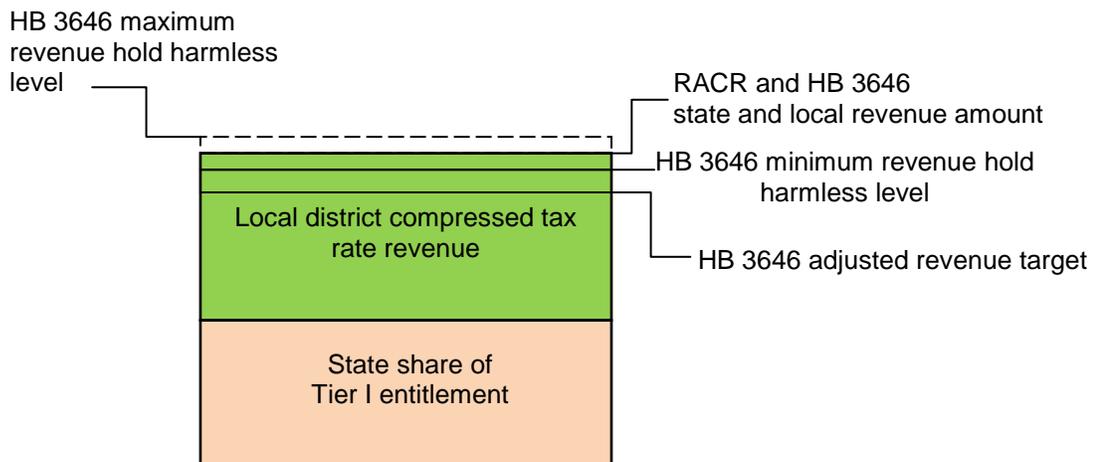
House Bill 3646: The HB 3646 state and local revenue amount is compared to the minimum and maximum revenue hold harmless levels under HB 3646. If the state and local revenue amount is less than the minimum hold harmless level, the district receives the difference as ASATR. If the state and local revenue amount is greater than the minimum hold harmless level, but less than the maximum hold harmless level, the district gets to keep all the revenue. If the state and local revenue amount exceeds the maximum hold harmless level, the district's funding is reduced to the maximum hold harmless level. *See the examples on the next page.*

(continued)

Example: District Receiving ASATR Funds



Example: District Not Receiving ASATR Funds



Charter Schools: Because they do not collect local taxes, charter schools do not directly receive ASATR. However, they do receive an entitlement that is based on the state average ASATR amount.

The American Recovery and Reinvestment Act of 2009 (ARRA): During the 2010–2011 state biennium, the additional ASATR revenue delivered to school districts and charter schools as a result of the passage of HB 3646 will be funded with a portion of the State Fiscal Stabilization Fund (SFSF) funds that were authorized by the ARRA.

Contact for More Information

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