

## Additional State Aid for Tax Reduction (ASATR)

### Description of Funding

To ensure that no school district lost money due to the tax relief effort in 2006 (which reduced districts' local M&O tax rates by one-third by 2008), the Texas Legislature guaranteed that every district be held harmless by providing Additional State Aid for Tax Reduction (ASATR) for their lost local tax collections. To do this a "revenue target" was established for each school district based on the revenue they would have received prior to the local tax rate compression.

Districts' revenue targets are calculated on a per-student basis and can change due to enrollment growth or decline.

When determining if a district is eligible for ASATR, the Texas Education Agency (TEA) is required to calculate how much a district would receive under the state's current formulas and compare it to the district's target revenue amount. A district where the formula amount is less than their target revenue amount is held harmless by being provided an ASATR amount.

The hold harmless is only for tax effort up to \$1.00. Revenue from tax effort based on tax increases since tax compression was implemented is not included in the hold harmless.

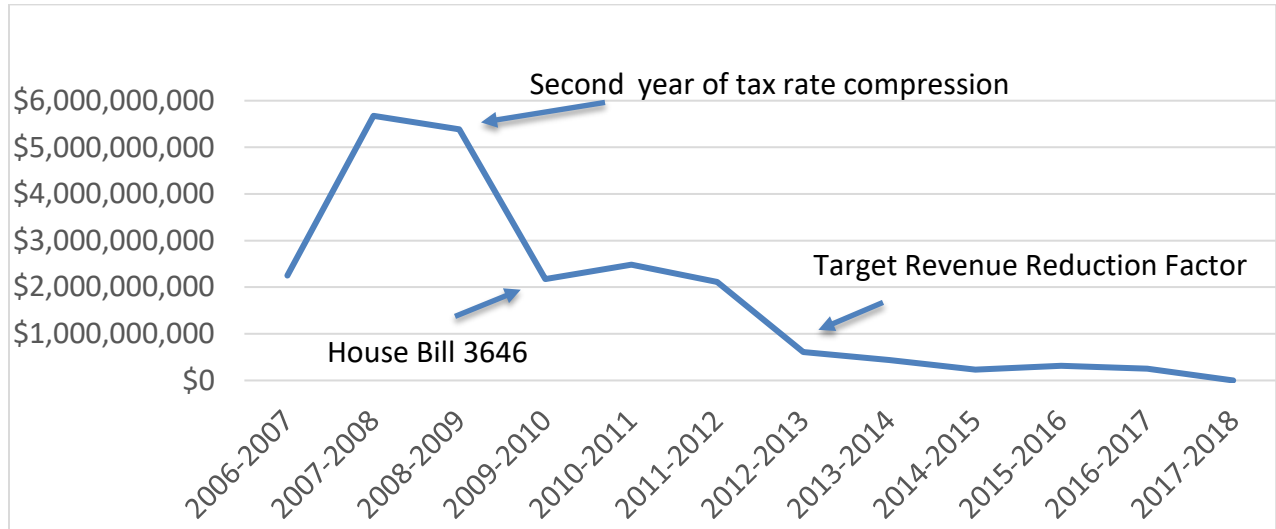
In 2009, the legislature simplified the target revenue system and rolled a number of smaller allotments into the targets in House Bill 3646. At the same time, the formula funding elements were increased with the intention of eventually moving districts away from reliance on ASATR.

Continued increases to the basic allotment, increased local property tax collections, and the 2011 implementation of a reduction factor (target revenue adjustment factor - set at 92.63% for the 2016-17 biennium), have reduced the amount of money paid out through ASATR.

Year	ASATR	Number of Districts
2006–2007	\$2,248,161,913	1026
2007–2008	\$5,608,106,196	1025
2008–2009	\$5,277,563,500	1010
2009–2010	\$2,174,599,191	968
2010–2011	\$2,480,928,919	979
2011–2012	\$2,093,032,234	962
2012–2013	\$589,841,192	453
2013–2014	\$406,284,270	308
2014–2015	\$233,878,282	225
2015–2016	\$333,677,885	250
2016–2017	\$407,933,392	265
2017–2018 <sup>1</sup>	0	0

1. ASATR was eliminated in the 2017-18 school year per SB1, 1st. Called Session, 82nd Legislature.

**In 2011, the Legislature also repealed ASATR effective September 1, 2017.**



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

TEC, §42.2516; 19 TAC §61.1011