Instructional Facilities Allotment

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

Texas Education Code, Chapter 46, Subchapter A

Texas Administrative Code, Title 19, Chapter 61, Subchapter CC, Commissioner's Rules Concerning School Facilities §61.1032, Instructional Facilities Allotment

History/Relevant Background Information

The Instructional Facilities Allotment (IFA) was authorized by House Bill 4, 75th Texas Legislature, in the spring of 1997 and became effective September 1, 1997. The IFA provides funding to school districts to assist with debt service payments on qualifying bonds and lease-purchase agreements.

To receive IFA assistance, a district must apply to the Texas Education Agency (TEA). The proposed bond or lease-purchase proceeds must be for the purchase, construction, renovation, and/or expansion of instructional facilities. After the published submission deadline for applications, the TEA State Funding Division ranks all eligible applications in order of property wealth per student, which is based on average daily attendance (ADA).

State assistance is awarded beginning with those eligible districts that have the lowest property wealth and continues until all available funds are used. If a district meets and maintains IFA eligibility, the statute guarantees IFA state aid for the life of the debt that has been approved for funding. Below is a history of IFA appropriations.

Round	Deadline	Fiscal Year	Amount Designated for New Debt
1	**Sept. 1997**	**1997–1998**	**initial appropriation all new debt**
2	**Dec. 1997**	**1998–1999**	**initial appropriation all new debt**
3	**June 1999**	**1999–2000**	**$50 million new money* (Senate Bill (SB) 4)**
4	**June 2000**	**2000–2001**	**$50 million new money (SB 4)**
5	**June 2001**	**2001–2002**	**$50 million new money (Rider 2)**
6	**June 2002**	**2002–2003**	**$50 million new money (Rider 2)**
		2003–2004	no new money
7	**June 2004**	**2004–2005**	**$20 million new money (House Bill (HB) 3459)**
		2005–2006	no new money
8	**June 2007**	**2006–2007**	**$50 million new money (Rider 97b)**
		2007–2008	no new money
9	**June 2008**	**2008–2009**	**$87.5 million new money**
		2009–2010	no new money
10	**June 2010**	**2010–2011**	**$75 million new money**
		2011–2012	no new money
		2012–2013	no new money
		2013–2014	no new money
		2014-2015	no new money
		2015-2016	no new money
11	**June 2016**	**2016-2017**	**$55.5 million new money (HB 1)**
		2017-2018	no new money
		2018-2019	no new money

*New money: Money that is appropriated for new IFA eligible bonded debt.

Program Description

An IFA allotment represents the amount of eligible debt service related to instructional facilities that can be considered for state aid. The total allotment is comprised of state and local shares of funds that are adjusted annually based on changes in ADA, property values, and the amount of eligible annual debt service.

A district is required to either levy sufficient taxes, or to designate excess maintenance and operations (M&O) or interest and sinking (I&S) tax collections from the 1999–2000 school year (or later) to cover the local share of the allotment. State aid under the IFA program provides a guaranteed yield of $35 per penny of tax effort per unweighted ADA.

For the IFA, the "ADA" used for calculating state aid is the greater of 1) the number of students in average daily attendance in the district, as determined under TEC, §42.005, or 2) 400. Legislative Planning Estimates (LPE) data are used to calculate fall payments. District Planning Estimates (DPE) data are used to calculate settle-up payments the following fall. Payments are made once during the fall.

A limitation on assistance is determined by comparing the district's size factor with its debt service payments:

1. Size factor = ADA x $250 (or $100,000, whichever is greater)
2. Highest annual debt service = the highest debt service payment due within the biennium in which the application is being made
3. Limitation on assistance = lesser of size factor or highest annual debt service payment of biennium

Once the limitation on assistance is determined, the amount of assistance is calculated by determining the amount needed to guarantee a yield of $35 per unweighted ADA per penny of tax effort.

Example: District ABC has property values of $100,000,000; ADA of 1,000; and annual debt service payments of $100,000.

- Taxable property value = $100,000,000 property value ÷ $100 assessed valuation = $1,000,000
- Tax yield per penny = $1,000,000 taxable property value x .01 = $10,000
- Tax yield per penny per student = $10,000 ÷ 1,000 ADA = $10.00 local revenue
- State aid per penny = $35.00 guaranteed yield – $10.00 local revenue = $25.00 state aid
- Percentage debt service assistance paid as state aid = ($25 ÷ $35) x 1 = 71.43%
- Amount of IFA state assistance = $100,000 annual debt service x 71.43% state share = $71,429
- Amount of IFA local share = $100,000 annual debt service – $71,429 state share = $28,571

Contact for More Information

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