

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
PROLAMSA USA PROJECT ON THE FINANCES OF THE BRYAN
INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

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Final Report

PREPARED BY



Estimated Impact of the Proposed Prolamsa USA Project on the Finances of the Bryan Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Prolamsa USA (Prolamsa) has requested that the Bryan Independent School District (BISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BISD on April 22, 2013, Prolamsa proposes to invest \$120 million to construct a new pipe and tube manufacturing project in BISD.

The Prolamsa project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, BISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning with the 2016-17 school year, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project will be assessed for debt service taxes on voter-approved bond issues throughout the limitation period and thereafter, with BISD currently levying a \$0.25 per \$100 I&S tax rate. The full value of the investment is expected to reach \$120 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project in future years.

In the case of the Prolamsa project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BISD would experience a revenue loss as a result of the implementation of the value limitation in the initial 2016-17 school year (-\$923,545). No out-year revenue losses are anticipated under current law.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$6.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the planned audits of appraisal district operations. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller or no revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operating directly on the state formulas. BISD became a formula district in the 2011-12 school year.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formulas. This resulted in 336 districts receiving ASATR funding, with an estimated 688 districts operating on state funding formulas.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The 2011 legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is expected that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

In the case of BISD, the District has a target revenue level of \$5,054 per WADA, which is about \$200 below the state average. The last year that BISD received ASATR funding was the 2010-11

school year. It is not expected that BISD will receive ASATR in future years even with the adoption of a value limitation agreement, based on the estimates presented below.

The initial legislation in the 2013 legislative session shows a further reduction in the number of ASATR districts being reduced to 308 districts under the Senate language, compared with an estimated 266 districts under the initial House language. The final bill language is in the process of being adopted and it will probably a month or so before TEA publishes information on recent legislative action. As a result, current law will be the basis for the estimates presented below.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Prolamsa project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and base property values in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. The projected taxable values of the Prolamsa USA project are factored into the base model used here. The impact of the limitation value for the proposed Prolamsa project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 14,414 students in average daily attendance (ADA) in analyzing the effects of the Prolamsa project on the finances of BISD. The District's local tax base reached \$5.4 billion for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 is used throughout this analysis. BISD has estimated state property wealth per weighted ADA or WADA of approximately \$267,510 for the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for BISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influences future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed Prolamsa facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Prolamsa value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$923,545). The revenue reduction results chiefly from the one-year lag in the state property value study for the first \$1.00 of M&O tax effort and the mechanics of the four cents of tax effort beyond the compressed M&O tax rate equalized to the Austin yield, which also reflect the one-year state property value lag. Once the state property value becomes aligned with the local limitation value of \$30 million, the school district formula losses are eliminated under current law for the remainder of the value limitation period.

Table 4 summarizes the revenue loss impact in the 2016-17 school year. The Company would be expected to see \$884,000 in M&O tax savings under the \$30 million limitation at the \$1.04 per \$100 M&O tax rate. BISD would see no formula offsets for this amount until the following school year. In addition, the District would experience a state aid loss of \$39,545 under what is known as Tier II funding for the 2016-17 school year. As a result, the formula loss exceeds the tax savings by the \$39,545 amount for 2016-17.

As noted previously, the Comptroller’s state property value study influences these calculations. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two state value determinations are made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.04 per \$100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$5.8 million over the life of the agreement. In addition, Prolamsa would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$1.6 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BISD revenue losses are expected to total approximately -\$923,545 over the course of the agreement, all concentrated in the 2016-17 school year under current law. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are expected to reach \$6.5 million over the life of the agreement.

Facilities Funding Impact

The Prolamsa project remains fully taxable for debt services taxes, with BISD currently levying a \$0.25 per \$100 I&S rate. Full access to the additional value is expected to increase the District's projected wealth per ADA to \$371,693 in the peak year of I&S taxable project value, which will provide a modest benefit to BISD, since it exceeds the \$350,000 per ADA equivalent provided by the Instructional Facility Allotment (IFA) and Existing Debt Allotment (EDA) state aid programs.

One positive aspect of the Prolamsa project is that the Company anticipates employing 255 full-time employees once the facility begins operation. The impact on BISD will be determined in part by the housing decisions of new employees to the area, although a number of these positions could go to current local residents. Given an enrollment of more than 14,000 students, it is unlikely that the Prolamsa project will have much effect on student enrollment at BISD on a stand-alone basis.

Conclusion

The proposed Prolamsa manufacturing project enhances the tax base of BISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$6.5 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value provides a modest enhancement to the tax base of BISD in meeting its future debt service obligations.

Table 1 – Base District Information with Prolamsa, USA Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	14,414.31	18,644.09	\$1.0400	\$0.2500	\$5,459,457,695	\$5,459,457,695	\$5,270,226,527	\$5,270,226,527	\$282,675	\$282,675
1	2014-15	14,414.31	18,638.80	\$1.0400	\$0.2500	\$5,549,457,695	\$5,549,457,695	\$5,270,226,527	\$5,270,226,527	\$282,756	\$282,756
2	2015-16	14,414.31	19,235.53	\$1.0400	\$0.2500	\$5,579,457,695	\$5,579,457,695	\$5,327,692,804	\$5,327,692,804	\$276,971	\$276,971
3	2016-17	14,414.31	19,338.05	\$1.0400	\$0.2500	\$5,574,457,695	\$5,489,457,695	\$5,357,692,804	\$5,357,692,804	\$277,054	\$277,054
4	2017-18	14,414.31	19,445.10	\$1.0400	\$0.2500	\$5,569,707,695	\$5,489,457,695	\$5,352,692,804	\$5,267,692,804	\$275,272	\$270,901
5	2018-19	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,565,195,195	\$5,489,457,695	\$5,347,942,804	\$5,267,692,804	\$273,456	\$269,353
6	2019-20	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,560,908,320	\$5,489,457,695	\$5,343,430,304	\$5,267,692,804	\$273,226	\$269,353
7	2020-21	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,556,835,789	\$5,489,457,695	\$5,339,143,429	\$5,267,692,804	\$273,007	\$269,353
8	2021-22	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,552,966,884	\$5,489,457,695	\$5,335,070,898	\$5,267,692,804	\$272,798	\$269,353
9	2022-23	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,549,291,425	\$5,489,457,695	\$5,331,201,993	\$5,267,692,804	\$272,600	\$269,353
10	2023-24	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,545,799,738	\$5,489,457,695	\$5,327,526,534	\$5,267,692,804	\$272,413	\$269,353
11	2024-25	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,542,482,636	\$5,542,482,636	\$5,324,034,847	\$5,267,692,804	\$272,234	\$269,353
12	2025-26	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,539,331,389	\$5,539,331,389	\$5,320,717,745	\$5,320,717,745	\$272,064	\$272,064
13	2026-27	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,536,337,704	\$5,536,337,704	\$5,317,566,498	\$5,317,566,498	\$271,903	\$271,903
14	2027-28	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,533,493,704	\$5,533,493,704	\$5,314,572,813	\$5,314,572,813	\$271,750	\$271,750
15	2028-29	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,530,791,903	\$5,530,791,903	\$5,311,728,813	\$5,311,728,813	\$271,605	\$271,605

*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

Table 2– “Baseline Revenue Model”--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$52,589,292	\$41,661,756	\$0	\$0	\$0	\$2,079,907	\$2,332,646	\$0	\$98,663,601
1	2014-15	\$53,471,336	\$41,651,685	\$0	\$0	\$0	\$2,115,143	\$2,370,889	\$0	\$99,609,053
2	2015-16	\$53,765,351	\$44,043,638	\$0	\$0	\$0	\$2,126,888	\$2,478,262	\$0	\$102,414,139
3	2016-17	\$53,733,349	\$44,267,104	\$0	\$0	\$0	\$2,125,610	\$2,475,394	\$0	\$102,601,457
4	2017-18	\$53,685,847	\$44,863,247	\$0	\$0	\$0	\$2,123,712	\$2,502,949	\$0	\$103,175,754
5	2018-19	\$53,640,719	\$45,480,285	\$0	\$0	\$0	\$2,121,910	\$2,531,516	\$0	\$103,774,429
6	2019-20	\$53,597,849	\$45,525,412	\$0	\$0	\$0	\$2,120,197	\$2,533,399	\$0	\$103,776,857
7	2020-21	\$53,557,121	\$45,568,283	\$0	\$0	\$0	\$2,118,570	\$2,535,189	\$0	\$103,779,162
8	2021-22	\$53,518,430	\$45,609,010	\$0	\$0	\$0	\$2,117,024	\$2,536,889	\$0	\$103,781,354
9	2022-23	\$53,481,674	\$45,647,701	\$0	\$0	\$0	\$2,115,556	\$2,538,504	\$0	\$103,783,436
10	2023-24	\$53,446,755	\$45,684,458	\$0	\$0	\$0	\$2,114,161	\$2,540,039	\$0	\$103,785,413
11	2024-25	\$53,402,977	\$45,719,377	\$0	\$0	\$0	\$2,112,412	\$2,540,988	\$0	\$103,775,754
12	2025-26	\$53,372,093	\$45,752,549	\$0	\$0	\$0	\$2,111,179	\$2,542,403	\$0	\$103,778,224
13	2026-27	\$53,342,754	\$45,784,063	\$0	\$0	\$0	\$2,110,006	\$2,543,748	\$0	\$103,780,571
14	2027-28	\$53,314,881	\$45,814,002	\$0	\$0	\$0	\$2,108,893	\$2,545,026	\$0	\$103,782,802
15	2028-29	\$53,288,402	\$45,842,443	\$0	\$0	\$0	\$2,107,835	\$2,546,240	\$0	\$103,784,920

Table 3– “Value Limitation Revenue Model”--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$52,589,292	\$41,661,756	\$0	\$0	\$0	\$2,079,907	\$2,332,646	\$0	\$98,663,601
1	2014-15	\$53,471,336	\$41,651,685	\$0	\$0	\$0	\$2,115,143	\$2,370,889	\$0	\$99,609,053
2	2015-16	\$53,765,351	\$44,043,638	\$0	\$0	\$0	\$2,126,888	\$2,478,262	\$0	\$102,414,139
3	2016-17	\$52,883,307	\$44,267,104	\$0	\$0	\$0	\$2,091,652	\$2,435,848	\$0	\$101,677,912
4	2017-18	\$52,883,307	\$45,713,289	\$0	\$0	\$0	\$2,091,652	\$2,538,693	\$0	\$103,226,941
5	2018-19	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
6	2019-20	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
7	2020-21	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
8	2021-22	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
9	2022-23	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
10	2023-24	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
11	2024-25	\$53,402,977	\$46,282,825	\$0	\$0	\$0	\$2,112,412	\$2,590,760	\$0	\$104,388,974
12	2025-26	\$53,372,093	\$45,752,549	\$0	\$0	\$0	\$2,111,179	\$2,542,403	\$0	\$103,778,224
13	2026-27	\$53,342,754	\$45,784,063	\$0	\$0	\$0	\$2,110,006	\$2,543,748	\$0	\$103,780,571
14	2027-28	\$53,314,881	\$45,814,002	\$0	\$0	\$0	\$2,108,893	\$2,545,026	\$0	\$103,782,802
15	2028-29	\$53,288,402	\$45,842,443	\$0	\$0	\$0	\$2,107,835	\$2,546,240	\$0	\$103,784,920

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$850,043	\$0	\$0	\$0	\$0	-\$33,958	-\$39,545	\$0	-\$923,545
4	2017-18	-\$802,540	\$850,042	\$0	\$0	\$0	-\$32,060	\$35,744	\$0	\$51,186
5	2018-19	-\$757,412	\$802,540	\$0	\$0	\$0	-\$30,257	\$33,783	\$0	\$48,654
6	2019-20	-\$714,542	\$757,413	\$0	\$0	\$0	-\$28,545	\$31,900	\$0	\$46,226
7	2020-21	-\$673,814	\$714,542	\$0	\$0	\$0	-\$26,918	\$30,110	\$0	\$43,921
8	2021-22	-\$635,124	\$673,815	\$0	\$0	\$0	-\$25,372	\$28,410	\$0	\$41,729
9	2022-23	-\$598,368	\$635,124	\$0	\$0	\$0	-\$23,904	\$26,795	\$0	\$39,647
10	2023-24	-\$563,448	\$598,367	\$0	\$0	\$0	-\$22,509	\$25,260	\$0	\$37,670
11	2024-25	\$0	\$563,448	\$0	\$0	\$0	\$0	\$49,772	\$0	\$613,220
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial Impact of the Prolamsa, USA Project Property Value Limitation Request Submitted to BISD at \$1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$90,000,000	\$90,000,000	\$0	\$1.040	\$936,000	\$936,000	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$120,000,000	\$120,000,000	\$0	\$1.040	\$1,248,000	\$1,248,000	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$115,000,000	\$30,000,000	\$85,000,000	\$1.040	\$1,196,000	\$312,000	\$884,000	\$0	\$884,000	-\$923,545	-\$39,545
4	2017-18	\$110,250,000	\$30,000,000	\$80,250,000	\$1.040	\$1,146,600	\$312,000	\$834,600	\$222,857	\$1,057,457	\$0	\$1,057,457
5	2018-19	\$105,737,500	\$30,000,000	\$75,737,500	\$1.040	\$1,099,670	\$312,000	\$787,670	\$222,857	\$1,010,527	\$0	\$1,010,527
6	2019-20	\$101,450,625	\$30,000,000	\$71,450,625	\$1.040	\$1,055,087	\$312,000	\$743,087	\$222,857	\$965,944	\$0	\$965,944
7	2020-21	\$97,378,094	\$30,000,000	\$67,378,094	\$1.040	\$1,012,732	\$312,000	\$700,732	\$222,857	\$923,589	\$0	\$923,589
8	2021-22	\$93,509,189	\$30,000,000	\$63,509,189	\$1.040	\$972,496	\$312,000	\$660,496	\$222,857	\$883,353	\$0	\$883,353
9	2022-23	\$89,833,730	\$30,000,000	\$59,833,730	\$1.040	\$934,271	\$312,000	\$622,271	\$222,857	\$845,128	\$0	\$845,128
10	2023-24	\$86,342,043	\$30,000,000	\$56,342,043	\$1.040	\$897,957	\$312,000	\$585,957	\$222,857	\$808,814	\$0	\$808,814
11	2024-25	\$83,024,941	\$83,024,941	\$0	\$1.040	\$863,459	\$863,459	\$0	\$0	\$0	\$0	\$0
12	2025-26	\$79,873,694	\$79,873,694	\$0	\$1.040	\$830,686	\$830,686	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$76,880,009	\$76,880,009	\$0	\$1.040	\$799,552	\$799,552	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$74,036,009	\$74,036,009	\$0	\$1.040	\$769,974	\$769,974	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$71,334,208	\$71,334,208	\$0	\$1.040	\$741,876	\$741,876	\$0	\$0	\$0	\$0	\$0
						\$14,504,360	\$8,685,548	\$5,818,812	\$1,560,000	\$7,378,812	-\$923,545	\$6,455,267

<u>Year 1</u>	<u>Year 2</u>	<u>Max Credits</u>
\$624,000	\$936,000	\$1,560,000
Credits Earned		\$1,560,000
Credits Paid		<u>\$1,560,000</u>
Excess Credits Unpaid		\$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.