SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED EQUISTAR CHEMICALS, LP PROJECT ON THE FINANCES OF THE CALALLEN INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

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Estimated Impact of the Proposed Equistar Chemicals, LP Project on the Finances of the Calallen Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Equistar Chemicals, LP (Equistar) has requested that the Calallen Independent School District (CISD) 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 CISD on June 17, 2013, Equistar proposes to invest $490 million to expand its ethylene manufacturing project in CISD, which would expand capacity by 49 percent, based on information provided in the application.

The Equistar 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, CISD may offer a minimum value limitation of $20 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 $20 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 could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with CISD currently levying a $0.1885 per $100 I&S tax rate. The full taxable value of the investment is expected to reach $468 million in the 2016-17 school year. While depreciation is expected to reduce the taxable value of the project in the future, it does represent an approximate 40 percent increase in the District's I&S tax base in the peak value year, which will be of assistance in meeting CISD's debt service needs.

In the case of the Equistar project, the agreement will call 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. Under current law, it is anticipated that CISD would experience a $5.7 million revenue loss as a result of the implementation of the value limitation in the 2016-17 school year, with a very small revenue loss in the 2017-18 school year. No out-year revenue losses are anticipated. Revenue losses would be reimbursed by Equistar under the proposed agreement.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $32.6 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 in alternating years. 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 periods (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11of the agreement 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 revenue losses would be anticipated when the state M&O 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 during the First Called Session in 2011 made $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 students in weighted average daily attendance (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 operated directly on the state formulas. For the 2012-13 school year, the 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 formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by $325 and $365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the six cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

In the case of CISD, it is now classified as a formula school district. While it did receive ASATR funding through the 2011-12 school year, none of the estimates below reflect future ASATR funds going to CISD.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A 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 Equistar 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 property values in order to isolate the effects of the value limitation under the school finance system. The SB 1and HB 1025 basic allotment increases are reflected in the underlying models. With regard to ASATR funding, the 92.63 percent reduction enacted for the 2013-14 school year is maintained until the 2017-18 school year. There is a statement of legislative intent adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Equistar project are also factored into the base model used here in order simulate the financial effects of construction of the project in the absence of a value limitation agreement. The impact of the limitation value for the proposed Equistar project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 3,741 students in average daily attendance (ADA) in analyzing the effects of the Equistar project on the finances of CISD. The District's local tax base reached $1.1 billion for the 2012 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.17 per $100 is used throughout this analysis, reflecting voter approval of the maximum M&O tax rate permitted under law. CISD has estimated state property wealth per weighted ADA or WADA of approximately $224,890 for the 2013-14 school year, classifying it as a moderate wealth school district. 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 CISD under the assumptions outlined above through the 2028-29 school year. Beyond the 201-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence 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 Equistar 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 Equistar 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, CISD would experience a revenue loss of $5.7 million as a result of the implementation of the value limitation in the 2016-17 school year. In addition to a $5.2 million reduction in M&O taxes, $505,076 would be lost in Tier II state aid. The revenue reduction results largely from the one-year lag in value associated with the state property value study.

The Comptroller's state property value study influences these calculations. Once the property value study reflects the $20 million limitation value in the 2017-18 school year, nearly of the M&O tax loss is offset by state aid increases.

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 property 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 $1.17 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 $37.6 million over the life of the agreement. In addition, Equistar 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 $0.7 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 CISD revenue losses are expected to total approximately $5.7 million in the intial limitation year, the 2016-17 school year. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach $32.6 million over the life of the agreement.

Facilities Funding Impact

The Equistar project remains fully taxable for debt services taxes, with CISD currently levying a $0.1885 per $100 I&S rate. While value of the Equistar project is expected to depreciate in the future, the project does represent an approximate 40 percent increase in the I&S tax base of CISD at its peak value in the 2016-17 school year.

The Equistar project is not expected to affect CISD in terms of enrollment, in that the expansion anticipates only a few additional jobs. Given the size and scope of the project, however, it should assist in stabilizing employment in the CISD area and, hopefully, affect public school enrollments in CISD in a positive manner as a result.

Conclusion

The proposed Equistar ethylene manufacturing project enhances the tax base of CISD. 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 $32.6 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also substantially enhances the tax base of CISD in meeting its future debt service obligations.

Table 1 – Base District Information with Equistar Chemicals, LP 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	3,741.08	4,900.56	$1.1700	$0.1885	$1,115,614,128	$1,115,614,128	$1,102,090,075	$1,102,090,075	$224,890	$224,890
1	2014-15	3,741.08	4,899.83	$1.1700	$0.1885	$1,195,614,128	$1,195,614,128	$1,102,090,075	$1,102,090,075	$224,924	$224,924
2	2015-16	3,741.08	4,899.83	$1.1700	$0.1885	$1,271,379,387	$1,271,379,387	$1,182,090,075	$1,182,090,075	$241,251	$241,251
3	2016-17	3,741.08	4,899.83	$1.1700	$0.1885	$1,602,064,128	$1,155,614,128	$1,257,855,334	$1,257,855,334	$256,714	$256,714
4	2017-18	3,741.08	4,899.83	$1.1700	$0.1885	$1,603,721,128	$1,155,614,128	$1,588,540,075	$1,142,090,075	$324,203	$233,088
5	2018-19	3,741.08	4,899.83	$1.1700	$0.1885	$1,584,996,128	$1,155,614,128	$1,590,197,075	$1,142,090,075	$324,541	$233,088
6	2019-20	3,741.08	4,899.83	$1.1700	$0.1885	$1,567,021,128	$1,155,614,128	$1,571,472,075	$1,142,090,075	$320,720	$233,088
7	2020-21	3,741.08	4,899.83	$1.1700	$0.1885	$1,549,765,128	$1,155,614,128	$1,553,497,075	$1,142,090,075	$317,051	$233,088
8	2021-22	3,741.08	4,899.83	$1.1700	$0.1885	$1,533,198,128	$1,155,614,128	$1,536,241,075	$1,142,090,075	$313,530	$233,088
9	2022-23	3,741.08	4,899.83	$1.1700	$0.1885	$1,517,295,128	$1,155,614,128	$1,519,674,075	$1,142,090,075	$310,148	$233,088
10	2023-24	3,741.08	4,899.83	$1.1700	$0.1885	$1,502,028,128	$1,155,614,128	$1,503,771,075	$1,142,090,075	$306,903	$233,088
11	2024-25	3,741.08	4,899.83	$1.1700	$0.1885	$1,494,094,435	$1,494,094,435	$1,488,504,075	$1,142,090,075	$303,787	$233,088
12	2025-26	3,741.08	4,899.83	$1.1700	$0.1885	$1,474,679,773	$1,474,679,773	$1,480,570,382	$1,480,570,382	$302,168	$302,168
13	2026-27	3,741.08	4,899.83	$1.1700	$0.1885	$1,455,828,112	$1,455,828,112	$1,461,155,720	$1,461,155,720	$298,205	$298,205
14	2027-28	3,741.08	4,899.83	$1.1700	$0.1885	$1,436,826,128	$1,436,826,128	$1,442,304,059	$1,442,304,059	$294,358	$294,358
15	2028-29	3,741.08	4,899.83	$1.1700	$0.1885	$1,424,378,128	$1,424,378,128	$1,423,302,075	$1,423,302,075	$290,480	$290,480

***Basic Allotment: $5,040; AISD Yield: $61.86; Equalized Wealth: $504,000 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	$11,025,805	$14,744,635	$0	$0	$0	$1,873,742	$1,612,476	$0	$29,256,658
1	2014-15	$11,809,844	$15,198,348	$0	$0	$0	$2,006,983	$1,786,117	$0	$30,801,292
2	2015-16	$12,552,381	$14,398,308	$0	$0	$0	$2,133,170	$1,647,737	$0	$30,731,596
3	2016-17	$15,882,548	$13,640,618	$0	$0	$0	$2,699,104	$1,796,727	$0	$34,018,996
4	2017-18	$15,899,119	$10,333,605	$0	$0	$0	$2,701,920	$887,091	-$24,090	$29,797,644
5	2018-19	$15,711,859	$10,317,034	$0	$0	$0	$2,670,097	$874,747	-$25,492	$29,548,245
6	2019-20	$15,532,100	$10,504,294	$0	$0	$0	$2,639,548	$886,147	-$6,170	$29,555,919
7	2020-21	$15,359,532	$10,684,053	$0	$0	$0	$2,610,222	$910,146	$0	$29,563,953
8	2021-22	$15,193,854	$10,856,621	$0	$0	$0	$2,582,066	$939,445	$0	$29,571,986
9	2022-23	$15,034,816	$11,022,299	$0	$0	$0	$2,555,039	$967,600	$0	$29,579,754
10	2023-24	$14,882,138	$11,181,337	$0	$0	$0	$2,529,093	$994,649	$0	$29,587,217
11	2024-25	$14,735,098	$11,334,015	$0	$0	$0	$2,504,105	$1,020,606	$0	$29,593,823
12	2025-26	$14,544,824	$11,413,356	$0	$0	$0	$2,471,769	$1,026,070	$0	$29,456,020
13	2026-27	$14,360,069	$11,607,512	$0	$0	$0	$2,440,372	$1,058,923	$0	$29,466,875
14	2027-28	$14,173,840	$11,796,038	$0	$0	$0	$2,408,724	$1,090,335	$0	$29,468,936
15	2028-29	$14,051,844	$11,986,068	$0	$0	$0	$2,387,991	$1,127,263	$0	$29,553,165

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	$11,025,805	$14,744,635	$0	$0	$0	$1,873,742	$1,612,476	$0	$29,256,658
1	2014-15	$11,809,844	$15,198,348	$0	$0	$0	$2,006,983	$1,786,117	$0	$30,801,292
2	2015-16	$12,552,381	$14,398,308	$0	$0	$0	$2,133,170	$1,647,737	$0	$30,731,596
3	2016-17	$11,417,825	$13,640,618	$0	$0	$0	$1,940,362	$1,291,651	$0	$28,290,456
4	2017-18	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
5	2018-19	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
6	2019-20	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
7	2020-21	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
8	2021-22	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
9	2022-23	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
10	2023-24	$11,417,825	$14,798,328	$0	$0	$0	$1,940,362	$1,619,257	$0	$29,775,771
11	2024-25	$14,735,098	$14,798,328	$0	$0	$0	$2,504,105	$2,089,707	$0	$34,127,237
12	2025-26	$14,544,824	$11,413,356	$0	$0	$0	$2,471,769	$1,026,070	$0	$29,456,020
13	2026-27	$14,360,069	$11,607,512	$0	$0	$0	$2,440,372	$1,058,923	$0	$29,466,875
14	2027-28	$14,173,840	$11,796,038	$0	$0	$0	$2,408,724	$1,090,335	$0	$29,468,936
15	2028-29	$14,051,844	$11,986,068	$0	$0	$0	$2,387,991	$1,127,263	$0	$29,553,165

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	-$4,464,723	$0	$0	$0	$0	-$758,742	-$505,076	$0	-$5,728,540
4	2017-18	-$4,481,294	$4,464,723	$0	$0	$0	-$761,558	$732,166	$24,090	-$21,873
5	2018-19	-$4,294,034	$4,481,294	$0	$0	$0	-$729,735	$744,510	$25,492	$227,526
6	2019-20	-$4,114,276	$4,294,034	$0	$0	$0	-$699,186	$733,110	$6,170	$219,852
7	2020-21	-$3,941,708	$4,114,275	$0	$0	$0	-$669,860	$709,111	$0	$211,818
8	2021-22	-$3,776,029	$3,941,707	$0	$0	$0	-$641,704	$679,812	$0	$203,786
9	2022-23	-$3,616,991	$3,776,029	$0	$0	$0	-$614,677	$651,657	$0	$196,017
10	2023-24	-$3,464,313	$3,616,991	$0	$0	$0	-$588,731	$624,608	$0	$188,555
11	2024-25	$0	$3,464,313	$0	$0	$0	$0	$1,069,101	$0	$4,533,414
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 Equistar Chemicals, LP Project Property Value Limitation Request Submitted to CISD at $1.17 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	$1.170	$0	$0	$0	$0	$0	$0	$0
1	2014-15	$0	$0	$0	$1.170	$0	$0	$0	$0	$0	$0	$0
2	2015-16	$80,940,000	$80,940,000	$0	$1.170	$946,998	$946,998	$0	$0	$0	$0	$0
3	2016-17	$466,450,000	$20,000,000	$446,450,000	$1.170	$5,457,465	$234,000	$5,223,465	$0	$5,223,465	-$5,728,540	-$505,075
4	2017-18	$468,107,000	$20,000,000	$448,107,000	$1.170	$5,476,852	$234,000	$5,242,852	$101,857	$5,344,709	-$21,873	$5,322,836
5	2018-19	$449,382,000	$20,000,000	$429,382,000	$1.170	$5,257,769	$234,000	$5,023,769	$101,857	$5,125,626	$0	$5,125,626
6	2019-20	$431,407,000	$20,000,000	$411,407,000	$1.170	$5,047,462	$234,000	$4,813,462	$101,857	$4,915,319	$0	$4,915,319
7	2020-21	$414,151,000	$20,000,000	$394,151,000	$1.170	$4,845,567	$234,000	$4,611,567	$101,857	$4,713,424	$0	$4,713,424
8	2021-22	$397,584,000	$20,000,000	$377,584,000	$1.170	$4,651,733	$234,000	$4,417,733	$101,857	$4,519,590	$0	$4,519,590
9	2022-23	$381,681,000	$20,000,000	$361,681,000	$1.170	$4,465,668	$234,000	$4,231,668	$101,857	$4,333,525	$0	$4,333,525
10	2023-24	$366,414,000	$20,000,000	$346,414,000	$1.170	$4,287,044	$234,000	$4,053,044	$101,857	$4,154,901	$0	$4,154,901
11	2024-25	$351,757,000	$351,757,000	$0	$1.170	$4,115,557	$4,115,557	$0	$0	$0	$0	$0
12	2025-26	$337,687,000	$337,687,000	$0	$1.170	$3,950,938	$3,950,938	$0	$0	$0	$0	$0
13	2026-27	$324,180,000	$324,180,000	$0	$1.170	$3,792,906	$3,792,906	$0	$0	$0	$0	$0
14	2027-28	$311,212,000	$311,212,000	$0	$1.170	$3,641,180	$3,641,180	$0	$0	$0	$0	$0
15	2028-29	$298,764,000	$298,764,000	$0	$1.170	$3,495,539	$3,495,539	$0	$0	$0	$0	$0
					Totals	**$59,432,677**	**$21,815,118**	**$37,617,559**	**$712,998**	**$38,330,557**	**-$5,750,413**	**$32,580,144**

Tax Credit for Value Over Limit in First 2 Years

	Year 1	Year 2	Max Credits
	$0	$712,998	$712,998
Credits Earned			$712,998
Credits Paid			$712,998
Excess Credits Unpaid			$0

***<u>Note:</u> 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.**