



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: July 16, 2018

AGENDA ITEM: Consider Approval of Agreement for the Purchase of Attendance Credits as Related to the State of Texas' Recapture of Funds

PRESENTER: Earl Husfeld

ALIGNS TO BOARD GOAL(S): Financial/Facilities – The District shall exhibit excellence in financial and facility planning, management, and stewardship.

BACKGROUND INFORMATION:

- On May 1, 2018, the District received preliminary notification of our Chapter 41 status for the 2018-2019 school year. The Texas Education Agency (TEA) will mail out official notification of our Chapter 41 status on or prior to July 15, 2018.
- Because of this Chapter 41 notification, the District is required to reduce its wealth per weighted average daily attendance (WADA) for the 2018-2019 school year using one or more of the five (5) statutory options available to school districts.
- The five (5) statutory options available to school districts are the following:
 - Consolidate with another district,
 - Detach property,
 - Purchase attendance credits from the state (Option 3),
 - Contract to educate nonresident students (Option 4), and/or
 - Consolidate tax bases with another district.

ADMINISTRATIVE CONSIDERATIONS:

- The District has elected to use Option 3, Purchase of Attendance Credits from the State, to equalize our wealth level for the 2018-2019 school year.
- Since the District was notified of its Chapter 41 status for the first time in the 2006-2007 school year or later, the Texas Legislature authorized Chapter 41 districts to offset their costs of recapture against state funding if the Chapter 42 funding for the school year exceeds the recapture costs for that same year.
- The District qualifies for this provision, which allows the District and TEA to “net” the District’s recapture costs against state funding for the 2018-2019 school year.
- Following is the Agreement for the Purchase of Attendance Credits (Netting Chapter 42 Funding) for your review and consideration.

FISCAL NOTE:

None

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees approve the Agreement for the Purchase of Attendance Credits (Netting Chapter 42 Funding) as presented.

Agreement for the Purchase of Attendance Credits (Netting Chapter 42 Funding)

This agreement is entered into pursuant to the Texas Education Code (TEC), Chapter 41, Subchapters A and D, and rules adopted by the commissioner of education as authorized by the TEC, §41.006. The purpose of this agreement is to enable the district to reduce its wealth per weighted student to a level that is not greater than the equalized wealth level as determined by the commissioner of education in accordance with the TEC, §41.002.

The school year to which this agreement applies is 2018/19 (the "school year").

The agreement is for the Aledo Independent School District ("the district"), with a county-district number of 184-907, to purchase attendance credits from the state for the school year.

The initial cost of recapture will be based on the commissioner's estimate of the cost of each credit using the district's projected maintenance and operations tax revenue and the estimated number of students in weighted average daily attendance for the school year (TEC, §41.093). The district agrees to offset its cost of recapture against any funds it receives under the provisions of the TEC, Chapter 42, in accordance with the provisions specified in the TEC, §41.0041.

When near-final data are available following the close of the school year to which this agreement applies, the district's entitlement under Chapter 42 will be recalculated. If the amount of Chapter 42 funding is less than the cost of recapture, as determined by the commissioner in accordance with the TEC, §41.093, using near-final data, the difference will be added to the estimated cost of recapture for the subsequent school year. If the estimated amount of Chapter 42 funds for the subsequent school year is less than the estimated cost of recapture for the subsequent school year plus any recapture balance carried forward from the school year to which this agreement applies, the district will no longer have the option to offset recapture costs against its Chapter 42 funding, and in the next year in which the district is subject to the provisions of Chapter 41, the district will be obligated to remit the total amount of the combined cost of recapture for deposit in the state treasury to be used for the Foundation School Program.

The actual cost of each credit for the school year will be determined by the commissioner in accordance with the TEC, §41.093, when final data on the district's maintenance and operations tax revenue and the number of students in weighted average daily attendance for the school year are available.

The cost of purchased attendance credits will be reduced for county appraisal district costs. The reduction will be computed in accordance with the TEC, §41.097. If the reduction exceeds the cost for the school year, the difference will be carried forward and applied to each subsequent year's cost until the total amount of the reduction has been exhausted.

Signature of President, Board of Trustees

Date: July 16, 2018

Signature of Secretary, Board of Trustees

Date: July 16, 2018

Signature of Superintendent

Dr. Susan K. Bohn, Ed.D., J.D.
Typed Name of Superintendent

Date: July 16, 2018

Signature of Commissioner of Education or Designee

Date: _____