



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** August 19, 2019

**AGENDA ITEM:** Consider Approval of Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding) as Related to the State of Texas' Recapture of Funds

**PRESENTER:** Earl Husfeld, Chief Financial Officer

### **BACKGROUND INFORMATION:**

- On July 11, 2019, the District received official notification from the Texas Education Agency (TEA) of our Chapter 49, formerly Chapter 41, status for the 2019-2020 school year.
- Because of this Chapter 49 notification, the District is required to reduce its excess local revenue level for the 2019-2020 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,
  - Detachment of property,
  - Purchase of average daily attendance credit (Option 3),
  - Education of nonresident students (Option 4), and/or
  - Tax base consolidation with another district.
- The District has elected to use Option 3, Purchase of Average Daily Attendance Credit, for the 2019-2020 school year.
- The District qualifies for the provision that allows the District and TEA to “net” the District’s recapture costs against state funding for the 2019-2020 school year.
- Following is the Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding) for your review and consideration.

### **FISCAL INFORMATION:**

None

### **ATTACHMENTS:**

Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding)

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees approve the Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding) as presented.

## Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding)

This agreement is entered into pursuant to the Texas Education Code (TEC), Chapter 49, Subchapters A and D, and rules adopted by the commissioner of education as authorized by the TEC, §49.006. The purpose of this agreement is to enable the district to reduce its local revenue level to a level not to exceed the level established under TEC, §48.257 for the school year.

The school year to which this agreement applies is 2019-2020 (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 credit from the state for the school year.

The local revenue level in excess of entitlement will be based on the commissioner's estimate of the cost of credit as determined under TEC, §49.153, using the district's projected maintenance and operations tax revenue that exceeds the level established under TEC, §48.257. Provisions in the TEC, §48.257(c), allow districts to offset the reduction of excess local revenue against state aid under Subchapter F, Chapter 48, Education Code for the school year. A district that is subject to the reduction in excess local revenue agrees to offset its obligations against state aid in accordance with the provisions specified in the TEC, §48.257(c).

When near-final data are available following the close of the school year to which this agreement applies, the district's entitlement under Chapter 48 will be recalculated. If the district's state aid under Subchapter F, Chapter 48, Education Code is less than the cost of recapture as determined by the commissioner in accordance with the TEC, §49.153, using near-final data, the district will be required to have an election and the recapture balance will be recovered in accordance with TEC, §48.272, by withholding subsequent allocations of state funds or requiring and obtaining a refund.

The actual cost of credit for the school year will be determined by the commissioner in accordance with the TEC, §49.153, when final data on the district's maintenance and operations tax revenue that exceeds the level established under TEC, §48.257 is available.

The cost of purchased attendance credit will be reduced for county appraisal district costs. The reduction will be computed in accordance with the TEC, §49.157. 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.

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Signature of President, Board of Trustees

Date: August 19, 2019

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Signature of Secretary, Board of Trustees

Date: August 19, 2019

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Signature of Superintendent

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

Date: August 19, 2019

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Signature of Commissioner of Education or Designee

Date: \_\_\_\_\_