

Chapter 41 Districts 2009–2010 School Year

February 1, 2010

Subject: *Cost of Recapture Report* Available for Review

To the Administrator Addressed:

Your district's 2009–2010 *Cost of Recapture Report* is now available online at <http://ritter.tea.state.tx.us/school.finance/funding/sofweb7.html>. The Texas Education Agency is no longer mailing paper copies of the report to school districts. If your district has submitted its estimates of tuition paid, students in weighted average daily attendance (WADA) purchased, county appraisal district (CAD) costs, and maintenance and operations (M&O) tax collections via the Foundation School Program (FSP) Payment System Chapter 41 module, this updated report reflects those estimates (indicated by an * by the data element). Since the preliminary *Cost of Recapture Report* was generated, the following have been incorporated:

- If your district reported paying tuition to another district for educating some of its students, WADA credit has been given for that cost (line 28 or line 30, depending on the option). This credit reduces the number of WADA your district has to actually purchase to equalize its wealth.
- If your district reported charging tuition to another district for educating some of its nonresident students, WADA has been reduced on line 7. This adjustment increases the number of WADA your district has to actually purchase to equalize its wealth.

For Option 3 (or partial Option 3) districts, the payment schedule is available online (between the *Cost of Recapture Report* and the FSP Payment Ledger). The first payment is due by February 15, 2010. The Texas Comptroller of Public Accounts wiring instructions for the comptroller fed account can be located at http://ritter.tea.state.tx.us/school.finance/funding/ch41/wiring_instr10_r1.pdf.

For Option 4 districts, the *Cost of Recapture Report* provides a comparison of the reported number of WADA being bought to the number of WADA needed to be purchased. In some cases, there is a significant difference between these two WADA numbers. Option 4 districts should review this printout carefully and submit the necessary corrections via the Chapter 41 module so that the state aid reduction to the partner district(s) can be more accurately determined. Please submit corrections by February 15, 2010.

For technology consortium districts, it is imperative you review the "Preliminary Calculation of Gain to Partners for a Chapter 41 District" section of the report (the last section of the online report). In some cases, the gain has significantly exceeded the 10 percent limit. If your district has exceeded the limit, your district must reduce the number of WADA being bought from the partner(s) so that the limit is not exceeded. Districts that have not exceeded the limit may increase the number of WADA being bought as long as the limit is not exceeded. Please submit corrections by February 15, 2010. These changes will affect the Option 3 payment schedule as well.

If you have any questions concerning this updated preliminary report or any other Chapter 41 issues, please contact me by telephone at (512) 463-9214 or by email at Nadia.Bobb@tea.state.tx.us. As always, the cost of buying WADA is not final until all data elements used in the calculations are final.

Sincerely,

Nadia Bobb, Chapter 41 Administration Program Director
State Funding Division

NB/nb