

DATE:	September 26, 2019
SUBJECT:	2018–2019 Near-Final <i>Summary of Finances (SOF)</i> Report
CATEGORY:	State Funding
NEXT STEPS:	Share with business staff

A near-final *Summary of Finances (SOF)* report for the 2018–2019 school year is available at the Texas Education Agency (TEA) [School District State Aid Reports](#) web page. The reports reflect the following important updates and information available at the time of publication (items with an asterisk [*] do not apply to charter schools):

Average Daily Attendance (ADA) and Full-Time Equivalents (FTEs):

This *SOF* report reflects the updated student attendance data submitted by school districts and charter schools through the Public Education Information Management System (PEIMS) in the summer 2019 for the 2018–2019 school year. Line 7 of the *SOF* report shows the near-final calculation of students in weighted average daily attendance (WADA).

Tax Collections:

School Districts: This *SOF* report uses the maintenance and operations (M&O) and interest and sinking fund (I&S) tax collections that your district reported through the Tax Information Survey in summer 2019. If your district did not complete the survey, the budgeted tax collections for the 2018–2019 school year as reported through the PEIMS will continue to be used until tax collections reported on the district’s J-1 schedule in 2018–2019 annual financial report are incorporated in the final version of the *SOF* report in April 2020. If your district receives an Instructional Facilities Allotment for a lease-purchase agreement, your district’s local share of the allotment has been subtracted from the M&O tax collection amount. If your district participates in a tax increment reinvestment zone (TIRZ), the local collections for the TIRZ submitted on the J1 schedule in your district’s 2018–2019 annual financial report will be subtracted from your district’s M&O collections in April 2020.

Charter Schools: The M&O tax collections reported by school districts through the Tax Information Survey in summer 2019 have been used to determine the statewide average variables for charter schools.

New Instructional Facilities Allotment (NIFA):

House Bill 1081, 85th Texas Legislature, increased the amount the NIFA program can provide up to \$1,000 per student in average daily attendance (ADA) in an eligible new campus in the first year of operation and up to \$1,000 per each additional ADA in the second year of operation to help with any start-up costs associated with opening a new campus. The definition for a new instructional facility has been expanded to include a repurposed instructional facility or a leased facility operating for the first time as an instructional facility with a minimum lease term of not less than 10 years. The bill provides for a statewide total of \$23.75 million in the 2018–2019 school year. Based on approved NIFA applications, the amount provided per student in ADA is currently \$224.077. Final settle-up in April 2020 will be based on ADA from PEIMS and information provided on the Days of Instruction Survey submitted through the NIFA subsystem of the FSP system.

Transportation Allotment:

Your school district’s or charter school’s 2018–2019 near-final transportation allotment is based on

the 2018–2019 route services data submitted using the Transportation subsystem of the FSP System. If your district did not submit 2018–2019 route services data please submit immediately and we will update the transportation allotment on your *SOF* report by final settle-up in April 2020. Otherwise, your transportation allotment will be zeroed in the final *SOF* report.

Staff Salary Allotment:

Your school district's or charter school's staff salary allotment is calculated by multiplying its number of eligible staff members by \$500 or \$250, depending on the staff members' full-time or part-time status. The allotment has been updated using 2018–2019 counts submitted using the Staff Salary subsystem of the FSP System. If your district did not submit 2018–2019 staff salary data, please submit immediately, and we will update the staff salary allotment on your *SOF* report by final settle-up in April 2020. Otherwise, your staff salary allotment will be zeroed in the final *SOF* report.

High School Allotment:

Your school district's or charter school's high school allotment is calculated by multiplying its high school (grades 9–12) ADA by \$275.

Tuition Allotment:

The tuition allotment for school districts not serving all grade levels under Texas Education Code (TEC), §42.106 has been updated for this *SOF* report for districts that submitted the required contracts and invoices.

***Public Education Grant (PEG) Allotment:**

The [Public Education Grant](#) ADA from the PEIMS summer submission has been updated, and the allotment is included in this *SOF* report.

Per Capita Rate:

A rate of \$486.231 multiplied by the prior-year ADA is used to calculate the [per capita](#) allotment.

***Existing Debt Allotment (EDA):**

A report entitled *EDA Detail Report*, available by clicking the "EDA Detail Report" link on line 50 of the *SOF* report, reflects the near-final state and local shares of the EDA based on updated ADA and district property values. Settle-up amounts for 2018–2019 will be incorporated into the 2019–2020 EDA payments, which we expect to make in November. If your district does not have a sufficient EDA entitlement in 2019–2020 to net against a negative balance from 2018–2019, the remaining negative balance will be transferred to the Instructional Facilities Allotment (IFA) ledger, if applicable, or a refund will be requested and obtained. If your district refinanced eligible debt during 2018–2019, please verify that the information on the *EDA Detail Report* and in the FSP System's Bond Programs subsystem has been updated correctly.

***Instructional Facilities Allotment (IFA):**

A report entitled *IFA Allotment Detail*, available by clicking the "Details" link on line 51 of the *SOF* report, reflects the near-final state and local shares of the IFA based on updated ADA values and district property values. Settle-up amounts for 2018–2019 will be incorporated into the 2019–2020 IFA payments, which we expect to make in November. If your district does not have a sufficient IFA entitlement in 2020–2018 to net against a negative balance from 2018–2019, the remaining negative balance will be transferred to the EDA ledger, if applicable, or a refund will be requested and obtained. If your district refinanced eligible debt during 2018–2019, an amendment is required and adjustments may be necessary.

***Additional State Aid for Homestead Exemption (ASAHE) for facilities:**

A report entitled Additional State Aid for Homestead Exemption (ASAHE) for Facilities Detail Report available by clicking the "ASAHE for Facilities Detail Report" link on line 53 of the *SOF* report, reflects the near-final ASAHE allotment based on updated ADA and district property

values. Settle-up amounts for 2018–2019 will be incorporated into the 2019–2020 EDA payments, which we expect to make in November. If your district does not have a sufficient ASAHE entitlement in 2019–2020 to net against a negative balance from 2018–2019, the remaining negative balance will be transferred to the IFA ledger, if applicable, or a refund will be requested and obtained.

FSP Allocations and Adjustments Report:

The report entitled *FSP Allocations and Adjustments*, available by clicking the "FSP Allocations and Adjustments Report" link at the end of the *SOF* report, shows the amount of your school district's near-final settle-up. If your school district or charter school was **underpaid**, the amount owed to the district or to the school was paid in September. If your school district or charter school was **overpaid**, recovery of the amount overpaid starts in September by either reducing the district's or charter school's 2019–2020 monthly payments from the Foundation School Fund (FSF) or requesting and obtaining a refund. If there is a reduction to the subsequent year's payments, the rate of recovery will be based on the same percentage that FSF monthly payments are based on in accordance with your district's or school's 2019–2020 payment class. Your school district's or charter school's 2019–2020 FSP payment ledger is also available at [School District State Aid Reports](#). (Select "Payment Ledgers" from the drop-down list.)

If you have any questions about the *SOF* report, please contact a state funding consultant at (512) 463-9238. Additional contact information appears at the end of this letter.

Sincerely,

Amy Copeland
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STATE FUNDING DIVISION CONTACT INFORMATION

General SOF Report (Chapter 42)

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Additional Homestead Exemption Hold Harmless, Additional State Aid for School Districts Which Contract to Partner to Operate a District Campus, Adjustment to the Compressed Tax Rate for Certain School Districts

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Transportation Funding, Optional Flexible Year and Optional Flexible School Day Programs

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Tax Information Survey, Tax Credit for Texas Tax Code, Chapter 313 Value Limitations, Supplemental Tax Increment Fund (TIF) Payments

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Staff Salary Allotment and TEAL (FSP Application) Questions

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