

Appendix A: Applicable Statutes

Texas Education Code, Chapter 41: <http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.41.htm>

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Appendix B: Forms

This appendix includes information on the forms your district is required to submit. Your district should submit only those forms applicable to the option(s) it is exercising.

For the 2016–2017 school year, your district is required to mail in its contract or contracts with original signatures. All other information, including the Chapter 41 District Intent/Choice Selection Form, and the Options and Contracts form, must be submitted online via the FSP System, which is accessed through the Texas Education Agency Secure Environment at <https://seguin.tea.state.tx.us/apps/logon.asp>. Instructions on how to apply for access to the online FSP System can be found at http://tea.texas.gov/About_TEA/Other_Services/Secure_Applications/TEA_Secure_Applications_Information/.

- **Forms to be submitted via the Chapter 41 subsystem of the online FSP System: District Intent/Choice Selection:** Use this form to indicate whether your district charges tuition to nonresident students and which option your district intends to use to reduce its property wealth per WADA, and whether your district is using the offset provision during the current school year
- **Options and Contracts:** Use this form to provide information on the option(s) chosen and associated contracts. This part of the Chapter 41 subsystem allows submission of CAD costs paid by your district and Option 4 districts and also allows for submission of records on WADA purchased from an Option 4 partner.

Form to be submitted by mail only:

- **Original Contract:** Submit a signed **Agreement for the Purchase of Attendance Credits** for Option 3 and/or a signed **Agreement for the Education of Nonresident Students** for Option 4.

Please see the [Chapter 41 Calendar for School Year 2016–2017](#) at the beginning of this manual for deadlines associated with these forms.

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2016–2017 Chapter 41 District Intent/Choice Selection Form

Use this form to indicate whether your district charges tuition to nonresident students, which option your district intends to use to reduce its property wealth per WADA, and whether your district is using the offset provision during the current school year. The form must be completed and submitted via the online FSP System. A screen shot of the form as it appears in the FSP System is shown on the following page.

Instructions and Notes

Your district may qualify to select Choice 1 if:

1. your district was notified of its Chapter 41 status for the first time in the 2006–2007 school year or later and
2. the cost of recapture is equal to or less than the district’s Chapter 42 funding for the same school year.

If your district qualifies for the offset provision, the district signs the [Agreement for the Purchase of Attendance Credits \(Netting Chapter 42 Funding\)](#) on page [59](#). The contract must be submitted by January 16, 2017.

All other districts must select Choice 2 and sign the [Agreement for the Purchase of Attendance Credits](#) on page [57](#) or the [Agreement for the Education of Nonresident Students](#) on page [61](#). The contract must be submitted by January 16, 2017.

FSP
Users: ducrone

Foundation School Programs
CRANE ISD (052901)

District Profile
County District Number: 052901 School Year: 2015-2016

FSP Home » Programs » Chapter 41 » Intent/Choice Selection
[Exit]

Intent/Choice Selection

Status: New Last Updated: Last Updated By:

Contact Information

<p>Superintendent (Required)</p> <p>First Name: <input style="width: 90%;" type="text"/></p> <p>Last Name: <input style="width: 90%;" type="text"/></p> <p>Email: <input style="width: 90%;" type="text"/></p> <p>Phone: <input style="width: 90%;" type="text"/></p>	<p>Program Contact (optional)</p> <p>First Name: <input style="width: 90%;" type="text"/></p> <p>Last Name: <input style="width: 90%;" type="text"/></p> <p>Email: <input style="width: 90%;" type="text"/></p> <p>Phone: <input style="width: 90%;" type="text"/></p>
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Tuition

Does your district plan to charge tuition to educate nonresident students? Yes No

Choose Options

Option1: District Consolidation

Option2: Detach property to another district

Option3: Purchase attendance credits from TEA

Option4: Educate partner district students

Technology Consortium (only available if options 3 and 4 selected)

Option5: Tax base consolidation

Election Dates

The date of successful Option 3 Election and/or date of successful Option 4 election is the date of your district's successful Chapter 41 election approved by the voters or the date of your districts upcoming Chapter 41 election. If your district has not held a Chapter 41 election for voter approval to purchase attendance credits, do not enter an election date. (The election date is not the date of your district's Tax Ratification Election (TRE) or the date of your district's board meeting approving the agreement contract.)

Date of successful option 3 election

Date of successful option 4 election

District Information

Was your district first designated Chapter 41 in 2006-07 or later?: Yes No

Select Choice

Choice 1: Reduce state aid under Chapter 42 by the amount owed for recapture. With this option, the estimated recapture amount will be withheld from state aid payments under Chapter 42 that are scheduled to begin in September.

Choice 2: Receive state aid under Chapter 42 and pay recapture separately. With this option, the district will receive state aid payments beginning in September. The district will make recapture payments in February through August.

Admin Comments:

Screen shot of 2016–2017 District Intent/Choice Selection form: For districts that first designated Chapter 41 in 2006–2007 or later

FSP Foundation School Program
 CRANE ISD (052901) County District Number: 052901 School Year: 2015-2016
 Users: ducrane
 District Profile Programs School District State Aid Reports
 FSP Home » Programs » Chapter 41 » Intent/Choice Selection [Exit]

Intent/Choice Selection

Status: New Last Updated: Last Updated By:

Contact Information

Superintendent (Required)

First Name: Last Name: Email: Phone:

Program Contact (optional)

First Name: Last Name: Email: Phone:

Tuition

Does your district plan to charge tuition to educate nonresident students? Yes No

Choose Options

Option1: District Consolidation
 Option2: Detach property to another district
 Option3: Purchase attendance credits from TEA
 Option4: Educate partner district students
 Technology Consortium (only available if options 3 and 4 selected)
 Option5: Tax base consolidation

Election Dates

The date of successful Option 3 Election and/or date of successful Option 4 election is the date of your district's successful Chapter 41 election approved by the voters or the date of your districts upcoming Chapter 41 election. If your district has not held a Chapter 41 election for voter approval to purchase attendance credits, do not enter an election date. (The election date is not the date of your district's Tax Ratification Election (TRE) or the date of your district's board meeting approving the agreement contract.)

Date of successful option 3 election:

Date of successful option 4 election:

District Information

Was your district first designated Chapter 41 in 2006-07 or later?: Yes No

District Estimated Chapter 42 Funding: <input type="text" value="\$300,000"/>	District Estimated Cost of Recapture: <input type="text" value="\$500,000"/>
Estimated Chapter 42 Funding: <input type="text" value="\$311,064"/> <input type="button" value="?"/> <input type="button" value="..."/>	Estimated Cost of Recapture: <input type="text" value="\$517,331"/> <input type="button" value="?"/> <input type="button" value="..."/>
Difference: <input type="text" value="-(\$11,064)"/>	Difference: <input type="text" value="-(\$17,331)"/>
Difference (District Estimated Chapter 42 Funding & District Estimated Cost of Recapture): <input type="text" value="-(\$200,000)"/>	

Select Choice

Choice 1: Reduce state aid under Chapter 42 by the amount owed for recapture. With this option, the estimated recapture amount will be withheld from state aid payments under Chapter 42 that are scheduled to begin in September.

Choice 2: Receive state aid under Chapter 42 and pay recapture separately. With this option, the district will receive state aid payments beginning in September. The district will make recapture payments in February through August.

Admin Comments:

The FSP System fills in your district's estimated Chapter 42 funding and estimated cost of recapture automatically. If the cost of recapture exceeds the estimated Chapter 42 funding, your district is not eligible to select Choice 1 and must select Choice 2.

A district that is eligible to select Choice 1 and selects that choice must sign the **Agreement for the Purchase of Attendants Credits (Netting Chapter 42) contract**

2016–2017 Options and Contracts Form

Use this form to provide information on the option(s) chosen and associated contracts. The form must be completed and submitted via the online FSP System. Screen shots of the form as it appears in the FSP System are shown on the following pages.

Screen shots of 2016–2017 Options and Contracts form screens:

★ TEXAS EDUCATION AGENCY | TEA Home | TEA Search | TEA Locator | TEA Divisions

FSP User: _____

Foundation School Program ISD County-District Number: School Year: 2016-2017 Update

District Profile Programs School District State Aid Reports [Exit]

FSP Home > Programs > Chapter 41

Chapter 41 ?

Program Contact:
 Kim Wall
 (512) 463-4809
kim.wall@tea.texas.gov

3/8/2016 - Chapter 41 Yearly rollover date

3/8/2016 - Chapter41 Options and Contract Open Date

3/8/2016 - Chapter41 District Intent Choice Selection Open Date

3/15/2016 - Chapter41 District Intent Choice Selection Close Date

3/15/2016 - Chapter41 Options and Contract Close Date

[More Events](#)

Announcements:

Actions	Open Date	Close Date
District Intent/Choice Selection	Create	View
Options and Contracts Information	Create	View

More About Chapter 41
[Cost of Recapture Report](#)
[Chapter 41 Handbook](#)
[More Chapter 41 Information](#)

Click **Create** to begin the form. After you click **Create**, the screen shown on the next page appears.



User:

Foundation School Program

ISD

County-District Number:

School Year:

2016-2017

Update

District Profile Programs School District State Aid Reports

[Exit]

FSP Home > Programs > Chapter 41 > Options and Contracts

Options and Contracts



Status:

Last Updated:

Last Updated By:

Contact Information

Approving Superintendent (required)

Program Contact (optional)

First Name:

First Name:

Last Name:

Last Name:

Email:

Email:

Phone:

Phone:

Options

- Option1: District Consolidation
- Option2: Detach property to another district
- Option3: Purchase attendance credits from TEA
- Option4: Educate partner district students
 - Technology Consortium (only available if options 3 and 4 selected)
- Option5: Tax base consolidation

Next >

Save

Cancel

BALLOT PROPOSITIONS

No. 0000

Special Election (Elección Especial)

_____ School District (Distrito Escolar De _____)

Date (Fecha): _____, 20XX

OFFICIAL BALLOT (BOLETA OFICIAL)

INSTRUCTION NOTE: (NOTA DE INSTRUCCION:)

Place an "X" in the square beside the statement indicating the way you wish to vote. (Marque con una "X" el cuadro a la izquierda de la frase que indica la manera en que usted quiere votar.)

<p>Ballot Proposition: Creation of a consolidated taxing district composed of the territory of _____ school districts, and authorizing the levy, assessment, and collection of annual ad valorem taxes for the maintenance of the public free schools within that taxing district at a rate not to exceed \$_____ on \$100 valuation of taxable property</p> <p>(Propuesta Electoral: Creación de un distrito impositivo consolidado compuesto del territorio de _____ distritos escolares, y autorización a ejecución, tasación, y cobro de impuestos ad valorem anuales para el mantenimiento de escuelas públicas dentro de este distrito impositivo sin sobrepasar a una contribución de \$_____ por \$100 de valoración de propiedad imponible)</p>
<p><input type="checkbox"/> FOR (A FAVOR DE)</p>
<p><input type="checkbox"/> AGAINST (EN CONTRA DE)</p>

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Appendix E: Glossary

appraisal costs: Costs associated with the operation of county appraisal districts that school districts must pay. Chapter 41 districts are eligible for a credit for that portion of the costs resulting from the recaptured excess value.

average daily attendance (ADA): The number of students in average daily attendance, which is found by dividing the sum of the attendance counts for all the instructional days in a school year by the number of instructional days.

Chapter 41 hold harmless provision: The Chapter 41 provision that allows certain eligible districts to keep more wealth than they would otherwise keep at the equalized wealth level.

Chapter 41 WADA: A modified calculation of Chapter 42 WADA that is made when a school district charges tuition to educate a nonresident student. Chapter 41 WADA is the sum of Chapter 42 WADA and WADA attributable to nonresident students.

Chapter 42 WADA: The weighted average daily attendance arrived at by summing a district's Tier I allotments, making certain adjustments, and dividing that sum by the amount of the basic allotment.

contract: Another term for the Agreement for the Purchase of Attendance Credits (Option 3) or the Agreement to Educate Nonresident Students (Option 4).

county appraisal district (CAD): An entity that regularly makes a record of and assigns a value to all property within a county. After compiling this information, a CAD passes it on to a taxing entity.

early agreement credit: A credit available to a Chapter 41 district that is exercising Option 3 or a combination of Options 3 and 4 that involves a technology consortium. To qualify, a district must submit a signed Option 3 agreement to the TEA with a postmark on or before September 1 of the applicable year. The credit amount is equal to the lesser of 1) 4 percent of the cost or 2) \$80 per credit purchased.

equalized wealth level: The wealth per student that a district may not exceed, or the maximum property tax base that a school district is allowed to retain at a certain level of tax effort.

guaranteed yield: A specified amount that a school district, no matter what its property wealth, is guaranteed per weighted student for each cent of tax effort over that required for the district's local fund assignment. The guaranteed yield is made up of both state and local funds.

property-wealthy district: A district whose wealth per student exceeds \$319,500, otherwise known as a Chapter 41 district.

regular program adjustment factor (RPAF): A provision of the Texas Education Code, §42.101, that amends a district's basic allotment calculations by modifying the regular program allotment (RPA). The RPA is calculated by multiplying the number of students in average daily attendance, not including student time in special education and career and technology programs, by the district's adjusted basic

allotment and the RPAF. The RPAF is 0.98 for the 2014–2015 school year. The RPAF provision expires September 1, 2015.

wealth per student: The taxable value of a district’s property divided by the number of students in weighted average daily attendance. For Chapter 41 purposes, the calculation of wealth per student is the ratio of a district’s tax base to its Chapter 41 WADA.

weighted average daily attendance (WADA): An adjusted count of the number of students in average daily attendance that gives greater weight to students who fall under certain categories, such as students who are enrolled in a gifted and talented program, and thus cost more to educate.

Index

- additional state aid for tax reduction (ASATR), 22
- CAD cost reduction, 36
- calendar, 11
- Chapter 41
 - administrative procedures, 39
 - calendar, 11
 - definition, 17
 - district, defined, 17
 - forms, required, 43
 - history, 17
 - statutes related to, 41
 - taxation, 39
- contracts (sample), 55
 - agreement for the education of nonresident students, 61
 - agreement for the purchase of attendance credits, 57, 59
 - optional language, 63
- Cost of Recapture Report, 24
 - final, 25
 - near-final, 24
 - payment, 24
 - preliminary, 24
 - revised, 24
- county appraisal district cost reduction, 36
- credits, 35
 - early agreement credit, 35
 - for tuition paid to another district, 35
- early agreement credit, 35
- elections
 - procedures, 65
- equalized wealth level
 - first, 18
 - second, 18
 - third, 19
- forms, 43
 - District Intent/Choice Selection form, 47
 - Options and Contracts form, 49
- Foundation School Program (FSP)
 - short description, 18
 - guaranteed yield, 17
 - hold harmless provision, 36
 - eligibility, 37
 - Option 4, 29
 - special requirements, 30
 - technology consortium, 31
- optional homestead exemption, 39
- options for reducing wealth, 29
 - Option 3, defined, 29
 - Option 4 technology consortium, 31, 35
 - Option 4, defined, 29
 - options requiring voter approval, 30
- Senate Bill 7 (1993), 17
- settle-up, 26
 - first round, 26
 - Option 3 with technology consortium
 - form of Option 4, special considerations, 26
 - Option 3, special considerations, 26
 - second round, 26
- tax base, decline in, 39
- tax rate, setting, 39
- taxation, 39
- Texas Education Agency
 - address, 24
 - phone number, State Funding, 24
- WADA
 - Chapter 41 WADA, 18
 - Chapter 42 WADA, 18
 - estimating cost, 25
- weighted average daily attendance (WADA)
 - Chapter 41 WADA, 18
 - Chapter 42 WADA, 18
 - estimating cost, 25



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Austin, Texas
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