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| DATE: | March 29, 2022 |
| SUBJECT: | Official Notification of the 2021–2022 Operational Minutes Adjustment |
| CATEGORY: | Information Update |
| NEXT STEPS: | Share with finance staff |

This letter supersedes the *To The Administrator Addressed* correspondence entitled “Official Notification of the 2021–2022 Operational Minutes Adjustment,” dated November 11, 2021. This letter provides guidance to school districts and open-enrollment charter schools (LEAs) that are eligible for a reduction in the number of required 75,600 minutes of operation¹. Texas Education Code (TEC), §25.081(b), provides that the commissioner may approve the operation of schools for fewer than 75,600 minutes if a disaster, flood, extreme weather condition, fuel curtailment, or other calamity causes the closing of schools.

Background

During the 2021–2022 school year, many LEAs have experienced losses in average daily attendance (ADA) due to low rates of attendance caused by the ongoing COVID-19 pandemic. Because ADA is a major component in determining Foundation School Program (FSP) funds, a loss of ADA would normally result in: (1) a loss of FSP funds for affected LEAs during the September 2022 FSP settle-up process; or (2) an increase in recapture obligations.

Commissioner’s Adjustment to Operational Minutes

To mitigate against these potential reductions in FSP funding for the 2021–2022 school year, the agency has worked with state leadership to provide a mechanism to assist LEAs. The commissioner of education is exercising his authority under TEC, §25.081(b), to approve a reduction in the minimum number of required 75,600 minutes of operation for all LEAs during the first through fourth six-week attendance reporting periods of the 2021–2022 school year. This will result in an adjustment that will ensure stabilized percentage attendance rates comparable to a more typical school year, rather than the low percentage attendance rates caused by the ongoing COVID-19 pandemic.

This is a one-time adjustment offered solely for funding purposes that will only be made for the 2021–2022 school year. The funding adjustment does not relieve LEAs from the statutory operational minutes requirement to operate schools and make schools available for students to attend in person. **Please note that this adjustment to the minimum number of operational minutes does not hold a district harmless for losses of ADA due to enrollment declines.** This adjustment will result in the exclusion of operational minutes during instructional days with low percentage attendance rates. To minimize confusion and error, this automatic adjustment will be operationalized at the agency level, and communications about this adjustment will be focused on identifying each LEA’s target percentage attendance rate (TPAR) rather than each LEA’s specific reduction of operational minutes and exclusion of associated instructional days. The process and methodology of the adjustment are described below.

1. Open-enrollment charter schools that are eligible to generate average daily attendance under TEC, §48.005(k), will receive a comparable adjustment to instructional days as LEAs receiving an operational minutes adjustment.

Methodology

For each LEA, the agency will calculate a target percentage attendance rate (TPAR), which will be the LEA's average percentage attendance rate for the first four six-week attendance reporting periods of the 2019-2020 school year. LEAs that were not in operation during the 2019-2020 school year will be assigned the state average TPAR for the first four six-week attendance reporting periods of the 2019-2020 school year for purposes of the calculation described above.

The agency will compare each LEA's average actual percentage attendance rate for the first through fourth six-week attendance reporting periods of the 2021-2022 school year with the TPAR. If the agency determines that the LEA experienced an average actual percentage attendance rate that is less than the TPAR, the agency will adjust operational minutes for that LEA as necessary to increase the average actual percentage attendance rate to the TPAR. This adjustment will also apply to attendance reported in special instructional settings.

The TPAR for the first four six-week attendance reporting periods of the 2019-2020 school year is calculated as follows:

- $TPAR = \text{Total Days Present} \div \text{Total Days Membership}$, where
- $\text{Total Days Present} = \text{Total Eligible Days Present}^2 + \text{Total Ineligible Days Present}$, and
- $\text{Total Days Membership} = \text{Total Days Present} + \text{Total Days Absent}$

The agency will use the same methodology to calculate the actual average percentage attendance rate for the first four six-week attendance reporting periods of the 2021-2022 school year.

Eligibility

All LEAs will automatically be granted this adjustment to operational minutes for the first through fourth six-week attendance reporting periods. No application or other action by LEAs is necessary.

Reporting

LEAs should not adjust their reported instructional days or scheduled operational minutes in their student information system, nor should LEAs adjust this data when reporting it through the Public Education Information Management System (PEIMS). LEAs must continue to ensure that all calendar tracks meet the operational minute and/or instructional minute requirements set forth in TEC, §25.081(a) and §48.005(i-m). Beginning with the 2021-2022 summer PEIMS submission, agency auditors will be reviewing the calendar tracks that LEAs submit to ensure they meet these requirements. Any calendar tracks that do not meet the required minute requirements will have proportional funding reductions applied to those tracks.

2. Total Eligible Days Present for the 2021-2022 school year will include remote synchronous and remote asynchronous eligible days present.

Impact on Foundation School Program Funding

LEAs will see the result of the automatic adjustment to operational minutes on their near-final summary of finances report in September 2022. Because this adjustment to operational minutes does not hold a district harmless for losses of ADA due to enrollment declines, and because the adjustment does not apply to the fifth and sixth six-week attendance reporting periods, LEAs should carefully monitor expenditures and adjust their budgets in real time throughout the year to account for permanent losses of student enrollment and/or low attendance rates outside of the operational minutes adjustment period. For state allotment spending compliance purposes, LEAs should use actual attendance for special instructional settings from PEIMS submission #3. LEAs will be able to reference a specific Summary of Finances (SOF) run ID at near-final settle up in September containing this information. For open-enrollment charter schools experiencing cash flow issues because of low attendance rates, please contact us at charterschoolfinance@tea.texas.gov for assistance.

Resources

Further resources regarding this adjustment can be found at the following URLs:

<https://tea.texas.gov/sites/default/files/covid/21-22-covid-waivers-faq.pdf>

<https://tea.texas.gov/finance-and-grants/state-funding> (Link to TPAR by LEA for the first four six-week attendance reporting periods of the 2019-2020 school year will be posted soon under the District & Charter Planning Tools section.)

If you have questions, please contact us at sfinance@tea.texas.gov.

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Office of School Finance

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