

# Office of School Finance

## Foundation School Program (FSP) Accelerated Payment Schedule



### Legal References

Texas Education Code, §48.274, Foundation School Fund Transfers to Certain Charter Schools



### Background Information

House Bill 2251, enacted by the 84th Texas Legislature, provides an open-enrollment charter school experiencing increased enrollment growth an opportunity to request that the Texas Education Agency (TEA) compare the charter school's student enrollment for the current school year to the charter school's student enrollment during the preceding school year. If the number of students enrolled in the open-enrollment charter school for the current school year has increased by at least 10 percent from the number of students enrolled during the preceding school year, the open-enrollment charter school is eligible to receive accelerated payments from the Foundation School Fund (FSF) according to the Payment Class 5 schedule.



### Payment Class 5 Schedule

Under the Payment Class 5 schedule, an open-enrollment charter school will receive payments from the FSF at an accelerated pace during the months of September, October, and November. By November's FSF payment, the open-enrollment charter school will have received 49.5 percent of their FSF balance, with 50.5 percent to be paid over the remaining nine months of the year. In contrast, under the standard Payment Class 4 schedule, the FSF payments are distributed in approximately equal percentages over twelve months, September through August. Below is a comparison of the default Payment Class 4 schedule and the Accelerated Payment Class 5 schedule.

| Month            | Payment Class 4<br>Payment Percentage of FSF | Payment Class 5<br>Payment Percentage of FSF |
|------------------|--|--|
| <b>September</b> | 8.3  | 22   |
| <b>October</b>   | 8.3  | 18   |
| <b>November</b>  | 8.4  | 9.5  |
| <b>December</b>  | 8.3  | 4  |
| <b>January</b>   | 8.3  | 4  |
| <b>February</b>  | 8.4  | 4  |
| <b>March</b>     | 8.3  | 4  |
| <b>April</b>     | 8.3  | 7.5  |
| <b>May</b>       | 8.4  | 5  |
| <b>June</b>      | 8.3  | 7  |
| <b>July</b>      | 8.3  | 7  |
| <b>August</b>    | 8.4  | 8  |



## Payment Class 5 Effective Period

The Payment Class 5 schedule is effective for three school years and may be extended for an additional three school years. Open-enrollment charter school personnel should carefully consider before submitting a request for Payment Class 5. Once approved, the schedule of payments is set for three consecutive school years and up to a total of six consecutive school years if TEA determines the open-enrollment charter school has met the automatic extension criteria.



## TEA Determination of Payment Class 5 Extension Period

Each year in June, the TEA State Funding Division conducts a review of the open-enrollment charter schools under Payment Class 5 which are set to expire August 31 (i.e., the open-enrollment charter school is in the third year of the initial three school year period). If current year Fall PEIMS enrollment increased at least 10 percent from the prior school year Fall PEIMS enrollment, the Payment Class 5 schedule is automatically extended for an additional three school years. TEA will notify the applicable open-enrollment charter school of one of the following scenarios:

- Continuation of Payment Class 5 for an additional three school years, or
- Expiration of Payment Class 5 and reset to Payment Class 4 effective September 1.

If an open-enrollment charter school is notified of the expiration of Payment Class 5, the open-enrollment charter school may reestablish Payment Class 5 eligibility by submitting a new Accelerated Payment Schedule (APS) by the September 1 deadline.

All notifications are sent through the emails entered in the Foundation School Program (FSP) Charter Schools program Contact Information link.



## Accelerated Payment Schedule – Deadline September 1

Requests for Payment Class 5 consideration require the submission of the APS no later than September 1, through the Charter Schools program module of the FSP application system accessed through the Texas Education Agency Login (TEAL). The APS is only available in the FSP application system from mid-August until September 1. Late submissions of the APS are not accepted.

Again, eligibility is determined by comparing an open-enrollment charter school's first day enrollment reported by the open-enrollment charter school on the APS with the open-enrollment charter school's prior-year Fall PEIMS enrollment.

To submit the APS, follow the steps below:

1. Login in through TEAL and select FSP - Foundation School Program Application.
2. From the Programs menu, select "Charter Schools" and choose upcoming school year and click "Update" button.
3. Click Accelerated Payment Schedule. If the APS link is not active, click on "Contact Information" and update primary and secondary contacts. Click "Save" and then "Cancel" to return to main menu. The APS link should now be active.
4. Type or use the calendar to select the first day of school and enter the first day enrollment number. The APS schedule calculates and displays an enrollment percentage difference from the previous school year's Fall PEIMS enrollment. If the open-enrollment charter school has a 10 percent or greater increase in enrollment, the open-enrollment charter school is permitted to submit the APS.
5. A Charter User clicks "Save" to save the information or clicks "Submit to Superintendent." The request goes to the District Approver. A District Approver clicks the certification box to provide assurance that information is correct and then clicks "Submit to TEA." The APS is now in "Submit to TEA" status.
6. TEA begins review after September 1. Once approved, the Charter User and District Approver will receive an email notification that the APS is in "Approved" status.



## Contact for More Information

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