May 8, 2009

Subject: 2007–08 "Final" State Aid Entitlement Report

TO THE CHARTER SCHOOL ADMINISTRATOR ADDRESSED:

Enclosed are two versions of your charter school's "final" *Summary of Finances (SOF)* report and related printouts for the 2007–08 school year. Please note that both of these reports contain the same attendance and program data updates that have been made since the "near final" *SOF* was generated on November 11, 2008. The only difference between these two reports is the formula used for the additional state aid for tax relief (ASATR) allotment. The version of the report in which the old ASATR formula was used is dated April 29, 2009, and the version of the report in which the new ASATR formula was used is dated May 4, 2009.

The reason for changing the ASATR allotment formula was to stabilize charter school funding and to minimize the impact of fluctuations in local property tax revenues. The allocation on the report dated May 4, 2009, will reinstate any amounts by which your allocation may have been decreased, as shown on the "near final" *SOF* report dated November 11, 2008, and the April 29, 2009, version of the "final" *SOF* report, as a result of use of the old ASATR formula. The allocation will not reinstate any amounts by which your allocation may have been decreased as a result of changes to attendance or other program data.

Because two versions of the 2007–08 "final" *SOF* report were generated, two settle-up balances were calculated, and two *Foundation School Fund Balances* reports are included with this letter. Please note that some schools will have positive balances on both reports and will receive two "final" settle-up payments. This is a result of program data changes, such as changes to state compensatory education, transportation, or staff salary data, submitted by the charter school since the "near final" report was generated. Following are other data updates that are reflected on both reports:

- **"Final" Method 1, Method 2, and State Average Variables –** The variables used for calculating the "final" state aid entitlement have been calculated using the amount of maintenance and operations (M&O) local tax dollars actually collected by each resident district for the previous school year, as audited by the resident districts' independent auditors. The "final" Foundation School Program (FSP) funding variables have been updated to the Estimate of State Aid template available on the State Funding website at http://www.tea.state.tx.us/school.finance/funding/index.html.

- **Average Daily Attendance (ADA) and Full-Time Equivalents (FTEs) –** Any changes to student count and resident district data that have been submitted and processed since the "near final" report was generated are reflected on this report.

- **State Compensatory Education (SCE) Enrollment –** The SCE counts have been updated for charter schools that were in the first year of operation in the 2007–08 school year. Additionally, any changes to SCE counts and resident district data for other charter schools that have been submitted and processed since the "near final" *SOF* report was generated are reflected on this report.

- **Transportation Allotment –** Any changes to transportation data that have been submitted and processed since the "near final" report was generated are reflected on this report.

- **Special Education Extended Year Services (EYS) Allotment –** EYS FTEs submitted in the Public Education Information Management System Extended Submission 4 are reflected on this report.

- **Additional State Aid (ASA) for Employee Benefits –** ASA allotments have been calculated using your charter school's "final" ADA, weighted average daily attendance (WADA), and Teacher Retirement System (TRS) covered-member counts for charter schools participating in TRS Active Care.

- **Certain Professional Staff Salary Allotment and Staff Salary Allotment –** These allotments have been updated to reflect end-of-year average staff counts.

A printout dated April 29, 2009, entitled *2007–08 Foundation School Fund Balances* is enclosed that indicates the settle-up differences between your charter school's "near final" and "final" reports. If your charter school has been **underpaid**, the amount shown on the *Foundation School Fund Balances* report will be **positive,** and the amount owed your charter school will be paid in May 2009, if your charter school does not have a negative outstanding balance in the 2008–09 school year. If your charter school has been **overpaid**, the amount shown on the *Foundation School Fund Balances* report will be **negative,** and the recovery of the amount overpaid will be made by reducing your charter school's 2008–09 monthly payments from the Foundation School Fund beginning with the May 25, 2009, payment.

A printout dated May 4, 2009, entitled *2007–08 Foundation School Fund Balances* is enclosed that indicates the settle-up differences between your charter school's "final" *SOF* report generated using the old ASATR formula and your charter school's "final" *SOF* report generated using the new ASATR formula. If your charter school has been **underpaid**, the amount shown on the *Foundation School Fund Balances* report will be **positive,** and the amount owed your charter school will be paid in May 2009, if your charter school does not have a negative outstanding balance in the 2008–09 school year. If your charter school has been **overpaid**, the amount shown on the *Foundation School Fund Balances* report will be **negative,** and the recovery of the amount overpaid will be made by reducing your charter school's 2008–09 monthly payments from the Foundation School Fund beginning with the May 25, 2009, payment.

If you have any questions concerning this report or the related printouts, please contact Nora Rainey by telephone at (512) 463-7298 or by email at nora.rainey@tea.state.tx.us.

Sincerely,

Helen Daniels
Director, State Funding

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