PAYMENT NOTICE

November 28, 2006

TO THE ADMINISTRATOR ADDRESSED:

Subject: Rider 36 Disciplinary Alternative Education Funding for 2006-2007

Through Rider 36, the 79th Texas Legislature appropriated \$4.75 million for the implementation of disciplinary alternative education programs under Chapter 37 of the Education Code during school years 2005-2006 and 2006-2007. For school year 2006-2007, Rider 36 funds will be distributed to school districts o the basis of a formula which provides the greater of either \$500 or \$2.1120 per student enrolled in grades 6-12 during the prior school year. The enrollment figures used are the PEIMS snapshot data from the Fall 2006-2006 submission. A list of the amount to be paid to each district is posted on the School Finance website at

http://www.tea.state.tx.us/school.finance/rid3607.html

The amount due to each district will be processed as a single lump sum payment that should be deposited in the district's account near the end of November. These funds are to be used by school districts for the operation and support of disciplinary alternative education programs required under Chapter 37 of the Education Code. These funds may be recorded in the General Fund 199 using Revenue Code 5829, State Program Revenue Distributed by the Texas Education Agency.

If you have any questions concerning this payment, contact Leo Lopez or Victoria Drewy in the Division of State Funding.

Sincerely.

Liz Caskey, Director State Funding Division