

September 26, 2006

TO THE ADMINISTRATOR ADDRESSED:

Subject: Updated 2006-07 Summary of Finances

A revised Summary of Finances for the 2006-2007 school year has been updated and is available at the TEA website. This summary reflects a change to the portion of the district's total state aid (per capita) that is paid from the Available School Fund..

At the September 2006 meeting, the State Board of Education approved a revised per capita rate of \$385 for the 2006-07 school year, based on a revised estimate from the Comptroller's office of the amount available for Available School Fund expenditures. The previous rate was \$317 per prior-year ADA. You will note that for all but the "budget balanced" districts, the change in per capita rate does not change the amount of state aid districts will receive. A change simply shifts the portion of state aid that is paid from either Available School Fund or the Foundation School Fund.

In accordance with Rider 82 (c) of the Appropriations Act, for the **"budget balanced" districts**, the additional aid from HB 1 (\$110 per WADA) is reduced by the gain in the increase in the Available School Fund. For the **Hold Harmless Chapter 41 districts**, the additional aid from HB 1 is reduced by the net gain from the Available School Fund and the increase in the recapture amount. For those districts that do not receive Tier I state aid from the Foundation School Fund, a report entitled *Worksheet for Determining the Reduction in Additional Aid from HB 1* is also posted in the TEA website attached to the district's Summary of Finances, showing how the "reduction" amount, if any, was derived.

If you have any questions regarding this summary, please contact Leo Lopez or me at (512) 463-9238.

Sincerely,

Liz Caskey, Director
State Funding Division