

September 12, 2017

To the Administrator Addressed:

Subject: Adjustments for average daily attendance (ADA) and certain funding issues due to Hurricane Harvey

This letter provides guidance for districts and charter schools that will experience a decline in enrollment because of Hurricane Harvey and for districts and charter schools that are providing educational services to displaced students because of the disaster.

Districts and Charter Schools with potential enrollment losses

During the 2017–2018 school year, many school districts and charter schools may experience losses in ADA due to Hurricane Harvey. Consistent with current practice, the TEA will continue to make full payments to all school districts and charter schools based on their individual Legislative Payment Estimates (LPE) found on the Summary of Finances. For charter schools, however, because it is current practice for TEA to update LPE estimates throughout the year based on attendance submissions, this could negatively impact cash flows for charter schools that are experiencing a loss in enrollment. Therefore, affected charter schools should contact Dina Black at (512) 463-9531 or at Dina.Black@tea.texas.gov to seek alternate arrangements.

In addition, because ADA is a major component in determining Foundation School Program (FSP) funds, and a loss of ADA would normally result in a loss of FSP funds for affected school districts during the September 2018 settle-up process, the TEA is currently exploring options to adjust ADA for affected districts and charter schools to address that potential loss of FSP funds pursuant to Texas Education Code (TEC) Sec. 42.005(d).

We ask districts to consider the TEA's efforts to explore options related to funding adjustments before making personnel or other decisions to reduce operational costs based on anticipated losses of FSP funds. TEA will provide an update on any potential ADA adjustments as early as October 2017.

For questions about this matter, please contact me at (512) 463-9179 or at Leo.Lopez@tea.texas.gov or Al McKenzie, Director of State Funding at (512) 463-9186 or at Al.McKenzie@tea.texas.gov.

Districts enrolling displaced students

Several school districts are expected to enroll students who were displaced by Hurricane Harvey. School districts that experience an increase in enrollment of at least 10 percent or of 30 displaced

students or more, may report this increased enrollment and estimated average daily attendance (ADA) to the State Funding Division for purposes of increasing their 2017–2018 LPE payments. Districts may report **only** the increased enrollment and estimated ADA that is due to students who were displaced by Hurricane Harvey and were assigned a Public Education Information Management System (PEIMS) Crisis Code of “05” upon enrollment (*please see TAA: Submitting Crisis Code Data and PEIMS School-Start Window Date Change, dated September 12, 2017*).

Districts should not use the attached form to report regular enrollment growth or additional ADA that is not attributable to displaced students. We will receive information about those students during the regular submission of data to the PEIMS.

Districts must complete the attached form, including the date and signature of the superintendent of the district, to be processed. The form includes instructions for submitting this information. Requests for LPE adjustments are due by September 29, 2017, and will be processed immediately to be included in the October FSP payment. Districts that submit requests by October 31, 2017, will have their requests included in their November FSP payment.

As a reminder, Chapter 41 districts can also submit updated estimates of weighted average daily attendance (WADA) during the regular Chapter 41 data submission process that occurs in January 2018.

For questions about the form or related matters, please contact Kim Wall in the State Funding Division at (512) 463-4809 or at Kim.Wall@tea.texas.gov.

Other funding issues

During fiscal year 2018, many districts may also experience losses in local taxable property values (and tax collections) due to Hurricane Harvey. The extent of the impact of these changes on district funding will not be known until this fiscal year’s collections have been received between November 2017 and January 2018. TEA is considering options to assist districts with issues caused by less than anticipated property tax collections related to the Hurricane per TEC Sec. 42.2523, but will not be making any decisions on the level of assistance that can be offered until more data is available from FY2018 collections. Please expect future communications on this matter, including requests for related information starting in December 2017.

Regards,

Leo Lopez, RTSBA
Associate Commissioner for School Finance

Attachment