

# **Pampa I.S.D.**

## **Budget Manual**

### **2017-18**

#### **Introduction**

This Budget Manual has been prepared to provide general information about the budgeting process at Pampa ISD. Additional information may be available within the district's Board Policies, Administrative Procedures, or other resources such as TEA's Financial Accountability System Resource Guide (FASRG).

If assistance is needed in any area of our business operations, please contact any of the staff members listed below.

#### **Pampa ISD Business Office:**

- Danny Seabourn, Chief Financial Officer, 669-4700 ext 1410
- Anita Russell, Business Office Manager and Accountant, 669-4700 ext 1411
  - Jessica Shelton, Travel Coordinator/Accounting Clerk, 669-4700 ext 1413
- Belinda Urrutia, Purchasing Manager, 669-4700 ext 1412
  - Lisa Stevens, Accounts Payable Clerk, 669-4700 ext 1416
  - Deidra Cain, Accounts Payable Clerk, 669-4700 ext 1417
- Glenda Bowen, Payroll/Benefits Manager, 669-4700 ext 1414
  - Dori Miller, Payroll/Benefits Clerk, 669-4700 ext 1415

#### **What is a Budget?**

- A process of allocating resources to prioritized needs of a campus and/or district
- A product of the campus and district planning process
- A valuable tool in the planning and evaluation process
- The link between instruction and financial planning

#### **Legal Requirements**

- State Law - TEC 44.002 through 44.006
  - Superintendent shall prepare budget
  - Budget must be prepared by June 20th
  - President of Board must call public hearing
  - No funds can be expended until budget adopted
  - Budget must be prepared in accordance with GAAP (accounting practices)
  - Budget must be adopted before the tax rate
- TEA Requirements
  - Budget must be adopted by Board by June 30th
  - Minutes must reflect all Budget adjustments

- At a minimum, the General Fund, Food Service Fund and Debt Service Fund must be adopted
- Budget must be filed with TEA through PEIMS
- Budget must be amended before exceeding function

### **What Time Period Does the Budget Cover?**

- Fiscal Year
  - July 1 through June 30

### **What factors determine how much money we receive?**

- Student Average Daily Attendance (average of entire school year)
- Number of students served in special programs
  - Gifted and Talented
  - Special Education
  - Compensatory Education – At Risk
  - Bilingual/ESL
  - Career and Technology

### **Budget Process Overview**

- Three major phases: planning, preparation, and evaluation
- Planning defines the goals and objectives of the campuses
- Budgetary resource allocations are the preparation phase of the budget
- Evaluation typically involves an examination of:
  - How the funds were expended
  - What outcomes resulted from the expenditure of funds
  - To what degree these outcomes achieved the objectives stated in the planning process
  - The evaluation process determines the following year’s budgetary allocations
- The budget process is part of a continuous cycle of planning and evaluation to achieve campus and district goals
- The district’s mission statement and goals should be the foundation to budget planning, preparation and evaluations.

### **Roles and Responsibilities in the Budgeting Process**

- District-wide
  - Must comply with federal/state laws and local board policies
  - Must ensure that all resources are reflected in the District/Campus Improvement Plans
  - Must ensure that all students are served
  - Must ensure that all students in special programs are served in accordance with TEC
- Site-Based Committee (budget committee)
  - Develops goals and objectives for campus

- Develops the Campus Plan
- Identifies budgetary needs (resources) and funding priorities
- Prepares preliminary campus budget
- Campus Principal and Assistant Principal(s)
  - Acts as budget manager for the school
  - Reviews preliminary budget prepared by site-based committee
  - Evaluates staffing needs based upon enrollment projections
  - Finalizes the campus budget and submits to the CFO or Accountant for review
- Central Office Administrators
  - Review of staffing needs (Human Resources)
  - Review of special program compliance (Special Program Administrator or Coordinator)
  - Review of Campus Plan and budgets to ensure compliance with District Plan (Executive Director of Curriculum & Assessment)
  - Review of budgets to ensure fiscal compliance (CFO and Accountant)
- Superintendent
  - Conducts final review of campus and department budgets
  - Submits proposed budgets to the School Board
  - Reviews campus and department budgets for compliance with district goals
  - Conducts budget public hearings
  - Adopts the official budget

### **Type of budgeting**

- **Historical Budgeting:** Justify only variances versus past years, based on the assumption that the "baseline" is automatically approved.
- **Zero Based Budgeting:** Every line item of the budget must be approved, rather than only changes. All budget requests must be evaluated thoroughly, starting from the zero-base.

### **Financial Accountability System Resource Guide, or FASRG**

- Created by TEA
- 9 Modules that directly apply to PISD: FAR (Financial Accounting & Reporting), Budgeting, Purchasing, Auditing, SBDM, Accountability, Data Collection, Management, and SCE
- FAR - Contains all account codes
  - Account codes are uniform throughout the state, except for locally defined codes
  - Chart of Accounts for Pampa I.S.D. – Refer to Appendix A

### **Account Code Determination**

- **Fund** - How the expenditure is financed?
- **Fiscal year** - which fiscal year did the transaction occur?
- **Function** - Why the expenditure was made – the purpose?
- **Campus or Organization** - Where is the beneficiary of the expenditure located?
- **Program Intent Code (PIC)** - What is the intent of the program provided to students?

- **Responsibility Code** – Budget manager
- **Object** - What was purchased?
- **Sub-Object** - Optional use for greater detail accounting

**Common Fund Codes**

- General Fund
  - 162 - Technology
  - 199 - General Operating
- Title I, Regular 211
- IMA Allotment 410

**Helpful Hint:**

- 1xx – General Funds
- 2xx – Federal Funds/Grants
- 3xx-4xx – State Funds/Grants

**Function Codes - Campus & Department**

- |                               |                             |
|-------------------------------|-----------------------------|
| • Instruction 11              | • Food Service 35           |
| • Library & Media Services 12 | • Co/Extra-curricular 36    |
| • Staff Development 13        | • Central Administration 41 |
| • Campus Administration 23    | • Maintenance/Custodial 51  |
| • Counseling Services 31      | • Safety and Security 52    |
| • Health Services 33          | • Data Processing 53        |
| • Transportation 34           | • Parental Involvement 61   |

**Organization Codes**

- |                                |                         |
|--------------------------------|-------------------------|
| • Campuses                     |                         |
| ○ 001 Pampa High School        | ○ 105 Lamar Elementary  |
| ○ 002 Pampa Learning Center    | ○ 107 Travis Elementary |
| ○ 042 Pampa Junior High School | ○ 108 Wilson Elementary |
| ○ 101 Austin Elementary        | ○ 699 Summer School     |
| • Departments                  |                         |
| ○ 7XX through 9XX              |                         |

**Program Intent Codes**

- |                        |                               |
|------------------------|-------------------------------|
| 11 Basic Program       | 23 Students with Disabilities |
| 21 Gifted and Talented | 24 Compensatory Education     |
| 22 Career & Technology | 25 Bilingual & ESL            |

26 Alternative Education Program

31 High School Allotment

28 DAEP Basic Services (Compensatory Education)

91 Athletics

30 Title I Schoolwide

99 Miscellaneous

### Object Codes

- Salaries - 6100's
  - 6112 Substitute Teachers (not aides)
  - 6117 Stipends for Professional Staff
  - 6118 Extra Duty Pay for Professional Staff
  - 6119 Professional Staff Salaries
  - 6129 Support Staff Salaries
- Contracted Services - 6200's
  - 6219 Professional Services (Per Govt Code: Architects, Engineers, etc)
  - 6249 Repairs
  - 6239 Education Service Centers
  - 6269 Rentals
  - 6291 Consultants (Best Practices, Strategic Planning, etc.)
  - 6299 Other Contracted Services
- Supplies - 6300's
  - 6329 Reading Materials, Library Books
  - 6339 Testing Materials
  - 6395 Technology Inventory Items <\$5,000
  - 6399 Supplies
- Travel & Misc. Expenditures - 6400's
  - 6411 Staff Travel
  - 6412 Student Travel
  - 6494 Transportation Charges (Vehicle Requisition)
  - 6495 Dues
  - 6499 Other Expenses
- Equipment - 6600's
  - 6631 Vehicles
  - 6629 Building Purchase & Construction
  - 6639 Equipment with unit cost > \$5000

### Examples:

- Gifted and Talented supplies for Elementary students:
  - **199-5-11-1XX-21-101 639900**

- Notes: Most campus funds are in the General Fund (199), the fiscal year is 2014-2015, the purpose is direct student instruction (11), the elementary campus 3-digit code assigned by TEA is 1XX, the intent is to serve GT students (PIC 21), and supplies are being purchased (6399).
- Staff development travel expenses for the special education teachers at the High School:
  - **199-5-13-001-23-872 641100**
  - Notes: Most campus funds are in the General Fund (199), the fiscal year is 2014-2015, the purpose is staff development (13), the secondary campus 3-digit code assigned by TEA is 001, the intent is to serve Sp. Ed. students (PIC 23), and staff travel are being purchased (6411).

### **Meeting the Needs of Special Populations**

- Texas Education Codes:
  - TEC 42.151 Special Education
  - TEC 42.152 Compensatory Education
  - TEC 42.153 Bilingual/ESL
  - TEC 42.154 Career & Technology
  - TEC 42.156 Gifted and Talented
  - TEC 42.160 High School Allotment
- Legal Requirements for all special populations – Refer to Appendix B
- State Compensatory Education – Legislative Requirements Appendix C
- District and campus improvement plans must address each special program population and the strategies and resources needed to meet their respective needs.

### **Preparing and Submitting a Campus Budget**

- Review the District Improvement Plan and Goals
- Prepare a Needs Assessment for all student populations for the Campus
  - Review the Accountability Reports for the Campus
  - Review PEIMS Student, Staff and Budget Data
- Update the Campus Improvement Plan
- Ensure that the campus plan and the campus' proposed budget are "linked", i.e. all strategies listed on the campus plan should be included in the proposed budget if a cost for staff, supplies, travel, etc. will be incurred
- Determine if any program and/or master schedule changes will be implemented during the next school year
- Determine the staffing needs for the upcoming school year
- Obtain the campus or department allocation from the CFO or Accountant
- Complete the budget request forms and submit to the CFO or Accountant
- Budget for fixed costs such as copier rentals/leases, contractual obligations, ESC commitments, etc.
- Ensure that special program funds are budgeted for all special populations represented on the campus

- Prepare and submit a prioritized list of major projects – to include costs associated with proposed new programs, buildings renovations, fixed assets (equipment with a unit cost > \$5000) , and technology projects
- Prepare a Staff FTE Report for the campus – to include all professional and paraprofessional staff
- Ensure that all Staff FTE's and expenditures, for at least the State Compensatory Education (SCE) program, are clearly indicated on the campus plan

### **Monitoring the Budget**

- Financial reports are available via the accounting system on a real-time basis
- Campus and department staff are authorized to view their respective budgets
- Periodic monitoring (at least monthly) should be conducted
- The timing of planned expenditures should be noted and documented – the campus plan timelines should aid in this process
- Budget resources should be realigned as the need arises due to changes in the instructional program and/or campus plan
- The purchasing deadlines should be adhered to – Appendix D

### **Amending the Budget**

- Budget amendments are mandated by the state when funds are moved from one functional area to another – these amendments require Board approval. Adequate planning is required to present amendments to the Board periodically.
- Budget transfers (within functional areas) – may be initiated by a campus principal or director as the need arises. The CFO or Accountant will approve and record budget transfers on a timely basis.
- The Final Amended Budget shall be approved by the School Board prior to June 30th for the current fiscal year
- A Budget Transfer Form is enclosed as Appendix E
- A Budget Amendment Form is enclosed as Appendix F

### **Evaluation of the Budget – At Year-End**

- As part of the campus planning process, the budget should be reviewed at year-end to determine if:
  - The campus used its resources to meet the district goals
  - The campus used its resources to meet the campus goals
  - The campus used its resources to serve all student populations
  - The campus used its special program allotments for special education, gifted and talented, etc. to supplement the basic instruction for all identified students
  - The campus realigned its resources as needed during the school year to meet the changing needs of the students
  - The campus should consider adding and/or deleting programs

## **Budgeting for Staff**

- Salaries are budgeted based on what the person does, where the person does it, and who the person serves.
- The key to budgeting for campus staff is the master schedule and/or staff roster.
- Staff full-time equivalents (FTEs) are compiled based on the master schedule or staff roster.
- The number of campus staff may be determined by:
  - Type of master schedule
- Block or traditional
  - Student to Teacher ratio – Staff Allocation Formula (Appendix G)
  - Specialized courses, such as Advanced Placement (AP)
  - Other instructional strategies such as co-teaching, inclusion, and pull-out programs
- The number of department staff may be determined by:
  - Roles and responsibilities of staff such as custodial, food service, maintenance, transportation, and administrative staff
  - Custodial staff shall be based on the total square footage of district facilities, the type of floor surfaces, and the number of students at each facility
  - Transportation staff shall be based on the total bus routes for regular, special education, and special programs
  - Food Service staff shall be based on the meals per labor hour at each campus
  - Administrative staff shall be based on the administrative functions, number of staff, and number of students served directly or indirectly
- The PEIMS Staff Data profiles (submitted in the Fall PEIMS submission) should be checked carefully to ensure that the payroll and responsibility data match

## **Budgeting for Federal Funds**

- Types of federal grants
  - Formula funding (entitlements)
    - Title I Regular & Migrant
    - Title II
  - Discretionary grants (competitive & non-competitive)
    - Texas High School Redesign & Restructuring
    - Texas Early Education Model (TEEM) Pre-Kindergarten School Readiness
- Two types of Title I Programs
  - Targeted assistance campus
    - Funds are used to provide services only to a select group of students
    - Requires 8 basic components (Appendix L)
  - School-wide campus
    - Funds are used for the entire educational program
    - Requires 10 basic components (Appendix L)
- Fiscal Requirements:



- Maintenance of Effort
- Maintain fiscal effort with state and local funds – not less than 90%
- Comparability
- In multiple attendance areas, Title I campuses must receive the same level of services from state and local funds as non-Title I campuses
- Supplement not Supplant
- Title I funds must be used to increase the level of funding – they may not replace state or local funds
- Budget forms for Federal Grants
- Helpful website:
  - TEA Grant Resources:
    - [http://tea.texas.gov/Finance\\_and\\_Grants/Grants/](http://tea.texas.gov/Finance_and_Grants/Grants/)

### **Acknowledgements**

A substantial amount of information presented in this Budget Manual was extracted from TEA's Financial Accountability System Resource Guide (FASRG). The FASRG in its entirety is located on TEA's website at:

[http://tea.texas.gov/Finance\\_and\\_Grants/Financial\\_Accountability/Financial\\_Accountability\\_System\\_Resource\\_Guide/](http://tea.texas.gov/Finance_and_Grants/Financial_Accountability/Financial_Accountability_System_Resource_Guide/)

**Appendix**

**A Pampa ISD Chart of Accounts**

**B TEC – Basic Entitlement and Special Programs**

**C State Compensatory Ed. Legislative Requirements**

**D Purchasing Deadlines**

**E Budget Transfer Form**

**F Budget Change Request**

**G Staff Allocation Formula**

APPENDIX A

PAMPA ISD CHART OF ACCOUNTS

Funds	Objects:	Sub-objects:	Campus or Organization:
<b>100 General Operating Fund</b>	<b>6100 Payroll Costs</b>	01 Central Admin	001 High School
162 Technology	6112 Substitute Teacher	02 B Basketball	002 PLC
199 General Operating Fund	6119 Professional Salaries	03 G. Basketball	042 Junior High
<b>200-379 Special Revenue - Federal</b>	6121 Overtime, Auxiliary Staff	04 Cross Country	099 Athletics
205 Head Start - SSA Region 16	6122 Substitute Support Personnel	05 Football	101 Austin Elementary
206 TEXSHEP - Educ for Homeless C	6125 Cafeteria Monitors	06 B Golf	105 Lamar Elementary
211 ESEA, Title I, Part A	6126 Extra Curricular Auxiliary	07 Swimming	107 Travis Elementary
212 ESEA, Title I, Part C - Migrant	6129 Para and Support Salary	08 Tennis	108 Wilson Elementary
224 IDEA-B - Formula	6139 Employee Allowance	09 B. Track	699 Summer School
225 IDEA-B - Pre-School	6141 Social Security/Medicare	10 G. Track	701 Superintendent
240 Child Nutrition	6142 Group Health Insurance	11 Volleyball	702 Board of Trustees
242 Summer Feeding Program	6143 Workers' Compensation	12 G. Golf	703 Tax Services
244 Career and Technology	6144 TRS On-Behalf	13 Trainer	719 Public Relations
255 Title II-A, TPTR	6145 Unemployment Compensation	14 Baseball	720 Textbook Custodian
263 Title III-A LEP	6146 Teacher Retirement/TRS Care	15 B. Soccer	748 Records Management
287 Head Start Expansion	<b>6200 Professional &amp; Contracted Se</b>	16 Video Conference	749 Personnel
288 Edu Jobs	6211 Legal Services	17 Weightlifting	750 Business Office
313 IDEA-B Formula - SSA	6212 Audit Services	18 Drivers Ed	751 Shared Services
314 IDEA-B Pre-School SSA	6213 Tax Collection Costs	19 Wrestling	870 Curriculum
<b>430-459 Local SSA</b>	6219 Professional Services	20 Literacy Coord	871 Homeless Liaison
437 Special Ed SSA	6221 Tuition, Higher Education	21 ELA	872 Special Education
<b>460-499 Local Special Programs</b>	6222 Deaf Ed Tuition	22 Basic Sp Ed	873 Elementary Library
461 Campus Activity Accounts	6239 Education Service Center Contract	23 Bus. Ed	874 LSSP
485 Pampa Education Foundation Gr	6249 Contracted Maintenance & Repair	24 New spacer	875 Supt Scholar
489 Local Campus Projects	6255 Utilities - Water	25 Rding/Rding Rec	876 Technology Dept
<b>500-599 Debt Service Funds</b>	6256 Utilities - Telephone/Internet	26 Cheerleaders	878 Parental Involvement
511 97' Bonds Debt Service	6257 Utilities - Electricity	27 Speech	879 District Bilingual/ELL
512 EPA Debt Service	6258 Utilities - Gas	28 Video Prod.	880 Transportation
<b>600 Capital Projects</b>	6269 Rental	29 Art	881 Health Services
616 07 Bond Projects	6291 Consulting Services	30 Band	883 Food Services
<b>700 Enterprise Funds</b>	6299 All Other Contracted Services	31 Choir	885 Daycare Services
<b>800 Trust Funds</b>	<b>6300 Supplies and Materials</b>	32 G. Soccer	886 Instructional Tech
801 Harvester Scholarship	6311 Gasoline and Other Fuels	33 Theatre Arts	887 21st Cent Tech Stud Inf
802 Cavalier Scholarship	6319 Supplies for Maintenance & Oper	34 Inclusion	888 Safety & Security
803 Choir Scholarship	6321 Textbooks	35 Softball	890 Facilities
804 Cornelison Scholarship	6329 Reading Materials, Subscriptions	36 Stu Co	891 Custodial
805 DECA Scholarship	6339 Testing Materials	37 Foreign Lng	892 Grounds
806 GED Scholarship	6341 Food Purchases	38 U.I.L.	893 Maintenance
807 Lamar Scholarship	6342 Food Service Non Food Supplies	39 PE	894 Energy Management
808 PLC Scholarship	6343 Vending Supplies	40 Natl Honor	998 Misc. Organization
<b>860 Agency Funds</b>	6344 Commodities	41 Teen Leadership	999 Misc. Organization
865 Student Activity Funds	6349 Other Food Service Supplies	42 Head Start	<b>Program Intent Codes:</b>
<b>900 Capital Assets &amp; Long Term</b>	6395 Tech Inventory Items <\$5000	43 Ind. Tech.	11 Basic Educational Serv
901 Fixed Assets Fund	6399 General Supplies & Materials	44	21 Gifted & Talented
902 Long Term Debt Fund	<b>6400 Other Operating Costs &amp; Trav</b>	45 Math	22 Career & Technology
<b>Functions:</b>	6411 Staff Travel, all related expenses	46 Digital Edit.	23 Students w/Disabilities
11 Instruction	6412 Student Travel	47 AEP/ISS	24 State Comp
12 Instructional Resources & Media	6419 Non-Employee Travel(parent,Boar	48 Yearbook	25 Bilingual/ELL
13 Curriculum Dev. & Instr. Staff De	6429 Insurance Costs	49 Writing Lab	26 AEP
21 Instructional Leadership	6439 Board Election Costs	50 AP	27 Supplement to AEP
23 Campus Leadership	6493 Payments to SSA Members		28 DAEP, Basic
31 Counseling Services	6494 Bus Requisition Reclassified Cost		29 DAEP, Supplemental
32 Social Work Services	6495 Dues (not associated w ith travel)		30 Title I Schoolwide
33 Health Services	6499 Other Expenses: Fees, Awards, Ads, Snacks		31 HS Allotment
34 Student Transportation	<b>6500 Debt Service</b>		91 Athletics
35 Food Service	6511 Bond Principal		99 Misc.
36 Cocurricular/Extracurricular	6512 Lease Principal		
41 General Administration	6513 Long-Term Debt Principal		
51 Plant Maintenance & Operations	6521 Bond Interest		
52 Security & Monitoring Services	6522 Lease Interest		
53 Data Processing Services	6599 Other Debt Service Fees		
61 Community Services	<b>6600 Capital Outlay &amp; Equipment(over \$5,000)</b>		
71 Debt Service	6629 Building Purchase and Construction		
81 Facilities, Acquisition, and Const	6631 Vehicles Over \$5,000		
93 Payments to SSA Members	6639 Furniture, Equipment, Software		
99 Other Intergovernmental Charges			

## APPENDIX B

### TEXAS EDUCATION CODE

#### SUBCHAPTER B. BASIC ENTITLEMENT

##### Sec. 42.101. BASIC AND REGULAR PROGRAM ALLOTMENTS.

(a) The basic allotment is an amount equal to the lesser of \$4,765 or the amount that results from the following formula:  $A = \$4,765 \times (DCR/MCR)$

where:

"A" is the resulting amount for a district;

"DCR" is the district's compressed tax rate, which is the product of the state compression percentage, as determined under Section [42.2516](#), multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; and

"MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under Section [42.2516](#), multiplied by \$1.50.

(a-1) Repealed by Acts 2011, 82nd Leg., 1st C.S., Ch. 4, Sec. 57.31, effective September 28, 2011

(a-2) Repealed by Acts 2011, 82nd Leg., 1st C.S., Ch. 4, Sec. 57.31, effective September 28, 2011

(b) A greater amount for any school year for the basic allotment under Subsection (a) may be provided by appropriation.

(c) A school district is entitled to a regular program allotment equal to the amount that results from the following formula:  $RPA = ADA \times AA \times RPAF$

where:

"RPA" is the regular program allotment to which the district is entitled;

"ADA" is the number of students in average daily attendance in a district, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C;

"AA" is the district's adjusted basic allotment, as determined under Section [42.102](#) and, if applicable, as further adjusted under Section [42.103](#); and

"RPAF" is the regular program adjustment factor.

(c-1) Except as provided by Subsection (c-2), the regular program adjustment factor ("RPAF") is 0.9239 for the 2011-2012 school year and 0.98 for the 2012-2013 school year.

(c-2) For a school district that does not receive funding under Section [42.2516](#) for the 2011-2012 school year, the commissioner may set the regular program adjustment factor ("RPAF") at 0.95195 for the 2011-2012 and 2012-2013 school years if the district demonstrates that funding reductions as a result of adjustments to the regular program allotment made by S.B. No. 1, Acts of the 82nd Legislature, 1st Called Session, 2011, will result in a hardship to the district in the 2011-2012 school year.

Notwithstanding any other provision of this subsection, the commissioner shall adjust the regular program adjustment factor ("RPAF") for the 2012-2013 school year for a school district whose regular program adjustment factor is set in accordance with this subsection to ensure that the total amount of state and local revenue in the combined 2011-2012 and 2012-2013 school years does not differ from the amount the district would have received if the district's regular program adjustment factor had not been set in accordance with this subsection. A determination by the commissioner under this subsection is final and may not be appealed.

(c-3) The regular program adjustment factor ("RPAF") is 0.98 for the 2013-2014 and 2014-2015 school years or a greater amount established by appropriation, not to exceed 1.0. This subsection and Subsections (c), (c-1), and (c-2) expire September 1, 2015.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 1997, 75th Leg., ch. 1071, Sec. 14, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 396, Sec. 1.11, eff. Sept. 1, 1999.

Amended by:

Acts 2006, 79th Leg., 3rd C.S., Ch. 5 (H.B. [1](#)), Sec. 1.03, eff. May 31, 2006.

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. [3646](#)), Sec. 50, eff. September 1, 2009.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.07, eff. September 1, 2011.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.08, eff. September 28, 2011.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.31(3), eff. September 28, 2011.

#### **Sec. 42.102. COST OF EDUCATION ADJUSTMENT.**

(a) The basic allotment for each district is adjusted to reflect the geographic variation in known resource costs and costs of education due to factors beyond the control of the school district.

(b) The cost of education adjustment is the cost of education index adjustment adopted by the foundation school fund budget committee and contained in Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on March 26, 1997.

(c) Repealed by Acts 1997, 75th Leg., ch. 1071, Sec. 30, eff. Sept. 1, 1997.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 1997, 75th Leg., ch. 1071, Sec. 15, 30, eff. Sept. 1, 1997.

**Sec. 42.103. SMALL AND MID-SIZED DISTRICT ADJUSTMENT.**

(a) The basic allotment for certain small and mid-sized districts is adjusted in accordance with this section. In this section:

- (1) "AA" is the district's adjusted allotment per student;
- (2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section [42.101](#); and
- (3) "ABA" is the adjusted basic allotment determined under Section [42.102](#).

(b) The basic allotment of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .0004)) \times ABA$$

(c) The basic allotment of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .00025)) \times ABA$$

(d) The basic allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:

- (1) the formula in Subsection (b) or (c) for which the district is eligible; or
- (2)  $AA = (1 + ((5,000 - ADA) \times .000025)) \times ABA$ .

(e) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(5), eff. September 1, 2009.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 2001, 77th Leg., ch. 553, Sec. 1, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1276, Sec. 6.008, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. [3646](#)), Sec. 105(a)(5), eff. September 1, 2009.

**Sec. 42.104. USE OF SMALL OR MID-SIZED DISTRICT ADJUSTMENT IN CALCULATING SPECIAL ALLOTMENTS.**

In determining the amount of a special allotment under Subchapter C for a district to which Section [42.103](#) applies, a district's adjusted basic allotment is considered to be the district's adjusted allotment determined under Section [42.103](#).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

For text of section as amended by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.10, see other Sec. 42.105.

**Sec. 42.105. SPARSITY ADJUSTMENT.**

Notwithstanding Sections [42.101](#), [42.102](#), and [42.103](#), a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted basic allotment on the basis of 130 students in average daily attendance if it offers a kindergarten through grade 12 program and has preceding or current year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose preceding or current year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided an adjusted basic allotment on the basis of 75 students in average daily attendance. An average daily attendance of 60 students shall be the basis of providing the adjusted basic allotment if a district offers a kindergarten through grade 6 program and has preceding or current year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.11, eff. September 1, 2015.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. [1](#)), Sec. 57.10, eff. September 28, 2011.

For text of section as amended by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 57.11, see other Sec. 42.105.

**Sec. 42.105. SPARSITY ADJUSTMENT.**

Notwithstanding Sections [42.101](#), [42.102](#), and [42.103](#), a school district that has fewer than 130 students in average daily attendance shall be provided a regular program allotment on the basis of 130 students in average daily attendance if it offers a kindergarten through grade 12 program and has preceding or current year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose preceding or current year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided a regular program allotment on the basis of 75 students in average daily attendance. An average daily attendance of 60 students shall be the basis of providing the regular program allotment if a district offers a kindergarten through grade 6 program and has preceding or current year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 57.10, eff. September 28, 2011.

**Sec. 42.106. TUITION ALLOTMENT FOR DISTRICTS NOT OFFERING ALL GRADE LEVELS.**

A school district that contracts for students residing in the district to be educated in another district under Section [25.039\(a\)](#) is entitled to receive an allotment equal to the total amount of tuition required to be paid by the district under Section [25.039](#), not to exceed the amount specified by commissioner rule under Section [25.039\(b\)](#).

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.12, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., ch. 1069, Sec. 2, eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. [3646](#)), Sec. 51, eff. September 1, 2009.



## **SUBCHAPTER C. SPECIAL ALLOTMENTS**

### **Sec. 42.151. SPECIAL EDUCATION.**

(a) For each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, a school district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 1.1. For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight determined according to instructional arrangement as follows:

- Homebound 5.0
- Hospital class 3.0
- Speech therapy 5.0
- Resource room 3.0
- Self-contained, mild and moderate, regular campus 3.0
- Self-contained, severe, regular campus 3.0
- Off home campus 2.7
- Nonpublic day school 1.7
- Vocational adjustment class 2.3

(b) A special instructional arrangement for students with disabilities residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services shall be established under the rules of the State Board of Education. The funding weight for this arrangement shall be 4.0 for those students who receive their education service on a local school district campus. A special instructional arrangement for students with disabilities residing in state schools shall be established under the rules of the State Board of Education with a funding weight of 2.8.

(c) For funding purposes, the number of contact hours credited per day for each student in the off home campus instructional arrangement may not exceed the contact hours credited per day for the multidistrict class instructional arrangement in the 1992-1993 school year.

(d) For funding purposes the contact hours credited per day for each student in the resource room; self-contained, mild and moderate; and self-contained, severe, instructional arrangements may not exceed the average of the statewide total contact hours credited per day for those three instructional arrangements in the 1992-1993 school year.

(e) The State Board of Education by rule shall prescribe the qualifications an instructional arrangement must meet in order to be funded as a particular instructional arrangement under this section. In prescribing the qualifications that a mainstream instructional arrangement must meet, the board shall establish requirements that students with disabilities and their teachers receive the direct, indirect, and support services that are necessary to enrich the regular classroom and enable student success.

(f) In this section, "full-time equivalent student" means 30 hours of contact a week between a special education student and special education program personnel.

(g) The State Board of Education shall adopt rules and procedures governing contracts for residential placement of special education students. The legislature shall provide by appropriation for the state's share of the costs of those placements.

(h) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in the special education program under Subchapter A, Chapter 29.

(i) The agency shall encourage the placement of students in special education programs, including students in residential instructional arrangements, in the least restrictive environment appropriate for their educational needs.

(j) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 494, Sec. 1, eff. September 1, 2011.

(k) A school district that provides an extended year program required by federal law for special education students who may regress is entitled to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the adjusted basic allotment or adjusted allotment, as applicable, for each full-time equivalent student in average daily attendance, multiplied by the amount designated for the student's instructional arrangement under this section, for each day the program is provided divided by the number of days in the minimum school year. The total amount of state funding for extended year services under this section may not exceed \$10 million per year. A school district may use funds received under this section only in providing an extended year program.

(l) From the total amount of funds appropriated for special education under this section, the commissioner shall withhold an amount specified in the General Appropriations Act, and distribute that amount to school districts for programs under Section 29.014. The program established under that section is required only in school districts in which the program is financed by funds distributed under this subsection and any other funds available for the program. After deducting the amount withheld under this subsection from the total amount appropriated for special education, the commissioner shall reduce each district's allotment proportionately and shall allocate funds to each district accordingly.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 2003, 78th Leg., ch. 545, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 494, Sec. 1, eff. September 1, 2011.

For expiration of Subsections (s), (s-1), (s-2), and (s-3), see Subsection (s-3).

#### **Sec. 42.152. COMPENSATORY EDUCATION ALLOTMENT.**

(a) For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.2, and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant.

(b) For purposes of this section, the number of educationally disadvantaged students is determined:

(1) by averaging the best six months' enrollment in the national school lunch program of free or reduced-price lunches for the preceding school year; or

(2) in the manner provided by commissioner rule, if no campus in the district participated in the national school lunch program of free or reduced-price lunches during the preceding school year. 21

(c) Funds allocated under this section shall be used to fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under Subchapter B, Chapter 39, or disparity in the rates of high school completion between students at risk of dropping out of school, as defined by Section 29.081, and all other students. Specifically, the funds, other than an indirect cost allotment established under State Board of Education rule, which may not exceed 45 percent, may be used to meet the costs of providing a compensatory, intensive, or accelerated instruction program under Section 29.081 or a disciplinary alternative education program established under Section 37.008, to pay the costs associated with placing students in a juvenile justice alternative education program established under Section 37.011, or to support a program eligible under Title I of the Elementary and Secondary Education Act of 1965, as provided by Pub. L. No. 103-382 and its subsequent amendments, and by federal regulations implementing that Act, at a campus at which at least 40 percent of the students are educationally disadvantaged. In meeting the costs of providing a compensatory, intensive, or accelerated instruction program under Section 29.081, a district's compensatory education allotment shall be used for costs supplementary to the regular education program, such as costs for program and student evaluation, instructional materials and equipment and other supplies required for quality instruction, supplemental staff expenses, salary for teachers of at-risk students, smaller class size, and individualized instruction. A home-rule school district or an open-enrollment charter school must use funds allocated under Subsection (a) for a purpose authorized in this subsection but is not otherwise subject to Subchapter C, Chapter 29. For purposes of this subsection, a program specifically designed to serve students at risk of dropping out of school, as defined by Section 29.081, is considered to be a program supplemental to the regular education program, and a district may use its compensatory education allotment for such a program.

(c-1) Notwithstanding Subsection (c), funds allocated under this section may be used to fund in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g):

(1) an accelerated reading instruction program under Section 28.006(g); or

(2) a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003.

(c-2) Notwithstanding Subsection (c), funds allocated under this section may be used to fund a district's mentoring services program under Section 29.089.

(d) The agency shall evaluate the effectiveness of accelerated instruction and support programs provided under Section 29.081 for students at risk of dropping out of school.

(e) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(f) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(g) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(h) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(i) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(j) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(k) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(l) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(m) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(n) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(o) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009.

(p) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 105(a)(6), eff. September 1, 2009. 22

(q) The State Board of Education, with the assistance of the comptroller, shall develop and implement by rule reporting and auditing systems for district and campus expenditures of compensatory education funds to ensure that compensatory education funds, other than the indirect cost allotment, are spent only to supplement the regular education program as required by Subsection (c). The reporting requirements shall be managed electronically to minimize local administrative costs. A district shall submit the report required by this subsection not later than the 150th day after the last day permissible for resubmission of information required under Section 42.006.

(q-1) The commissioner shall develop a system to identify school districts that are at high risk of having used compensatory education funds other than in compliance with Subsection (c) or of having inadequately reported compensatory education expenditures. If a review of the report submitted under Subsection (q), using the risk-based system, indicates that a district is not at high risk of having misused compensatory education funds or of having inadequately reported compensatory education

expenditures, the district may not be required to perform a local audit of compensatory education expenditures and is not subject to on-site monitoring under this section.

(q-2) If a review of the report submitted under Subsection (q), using the risk-based system, indicates that a district is at high risk of having misused compensatory education funds, the commissioner shall notify the district of that determination. The district must respond to the commissioner not later than the 30th day after the date the commissioner notifies the district of the commissioner's determination. If the district's response does not change the commissioner's determination that the district is at high risk of having misused compensatory education funds or if the district does not respond in a timely manner, the commissioner shall:

- (1) require the district to conduct a local audit of compensatory education expenditures for the current or preceding school year;
- (2) order agency staff to conduct on-site monitoring of the district's compensatory education expenditures; or
- (3) both require a local audit and order on-site monitoring.

(q-3) If a review of the report submitted under Subsection (q), using the risk-based system, indicates that a district is at high risk of having inadequately reported compensatory education expenditures, the commissioner may require agency staff to assist the district in following the proper reporting methods or amending a district or campus improvement plan under Subchapter F, Chapter 11. If the district does not take appropriate corrective action before the 45th day after the date the agency staff notifies the district of the action the district is expected to take, the commissioner may:

- (1) require the district to conduct a local audit of the district's compensatory education expenditures; or
- (2) order agency staff to conduct on-site monitoring of the district's compensatory education expenditures.

(q-4) The commissioner, in the year following a local audit of compensatory education expenditures, shall withhold from a district's foundation school fund payment an amount equal to the amount of compensatory education funds the agency determines were not used in compliance with Subsection (c). The commissioner shall release to a district funds withheld under this subsection when the district provides to the commissioner a detailed plan to spend those funds in compliance with Subsection (c). 23

(r) The commissioner shall grant a one-year exemption from the requirements of Subsections (q)-(q-4) to a school district in which the group of students who have failed to perform satisfactorily in the preceding school year on an assessment instrument required under Section 39.023(a), (c), or (l) subsequently performs on those assessment instruments at a level that meets or exceeds a level prescribed by commissioner rule. Each year the commissioner, based on the most recent information available, shall determine if a school district is entitled to an exemption for the following school year and notify the district of that determination.

**Sec. 42.153. BILINGUAL EDUCATION ALLOTMENT.**

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.1.

(b) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in providing bilingual education or special language programs under Subchapter B, Chapter 29, and must be accounted for under existing agency reporting and auditing procedures.

(c) A district's bilingual education or special language allocation may be used only for program and student evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salary supplements for teachers, and other supplies required for quality instruction and smaller class size.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

**Sec. 42.154. CAREER AND TECHNOLOGY EDUCATION ALLOTMENT.**

(a) For each full-time equivalent student in average daily attendance in an approved career and technology education program in grades nine through 12 or in career and technology education programs for students with disabilities in grades seven through 12, a district is entitled to:

(1) an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.35; and

(2) \$50, if the student is enrolled in:

(A) two or more advanced career and technology education classes for a total of three or more credits; or

(B) an advanced course as part of a tech-prep program under Subchapter T, Chapter 61.

(a-1) Expired.

(b) In this section, "full-time equivalent student" means 30 hours of contact a week between a student and career and technology education program personnel.

(c) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in providing career and technology education programs in grades nine through 12 or career and technology education programs for students with disabilities in grades seven through 12 under Sections 29.182, 29.183, and 29.184.

(d) The commissioner shall conduct a cost-benefit comparison between career and technology education programs and mathematics and science programs.

(e) Out of the total statewide allotment for career and technology education under this section, the commissioner shall set aside an amount specified in the General Appropriations Act, which may not exceed an amount equal to one percent of the total amount appropriated, to support regional career and technology education planning. After deducting the amount set aside under this subsection from the total amount appropriated for career and technology education under this section, the commissioner shall reduce each district's tier one allotments in the same manner described for a reduction in allotments under Section 42.253.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 2003, 78th Leg., ch. 201, Sec. 31, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 763, Sec. 5, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 54, eff. September 1, 2009.

**Sec. 42.1541. INDIRECT COST ALLOTMENTS.**

(a) The State Board of Education shall by rule increase the indirect cost allotments established under Sections 42.151(h), 42.152(c), 42.153(b), and 42.154(a-1) and (c) and in effect for the 2010-2011 school year in proportion to the average percentage reduction in total state and local maintenance and operations revenue provided under this chapter for the 2011-2012 school year as a result of S.B. Nos. 1 and 2, Acts of the 82nd Legislature, 1st Called Session, 2011.

(b) To the extent necessary to permit the board to comply with this section, the limitation on the percentage of the indirect cost allotment prescribed by Section 42.152(c) does not apply.

(c) The board shall take the action required by Subsection (a) not later than the date that permits the increased indirect cost allotments to apply beginning with the 2011-2012 school year.

Added by Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 57.13, eff. September 28, 2011.

**Sec. 42.155. TRANSPORTATION ALLOTMENT.**

(a) Each district or county operating a transportation system is entitled to allotments for transportation costs as provided by this section.

(b) As used in this section:

(1) "Regular eligible student" means a student who resides two or more miles from the student's campus of regular attendance, measured along the shortest route that may be traveled on public roads, and who is not classified as a student eligible for special education services.

(2) "Eligible special education student" means a student who is eligible for special education services under Section 29.003 and who would be unable to attend classes without special transportation services.

(3) "Linear density" means the average number of regular eligible students transported daily, divided by the approved daily route miles traveled by the respective transportation system.

(c) Each district or county operating a regular transportation system is entitled to an allotment based on the daily cost per regular eligible student of operating and maintaining the regular transportation system and the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district or county. The average actual cost is to be computed by the commissioner and included for consideration by the legislature in the General Appropriations Act. The allotment per mile of approved route may not exceed the amount set by appropriation.

(d) A district or county may apply for and on approval of the commissioner receive an additional amount of up to 10 percent of its regular transportation allotment to be used for the transportation of children living within two miles of the school they attend who would be subject to hazardous traffic conditions if they walked to school. Each board of trustees shall provide to the commissioner the definition of hazardous conditions applicable to that district and shall identify the specific hazardous areas for which the allocation is requested. A hazardous condition exists where no walkway is provided and children must walk along or cross a freeway or expressway, an underpass, an overpass or a bridge, an uncontrolled major traffic artery, an industrial or commercial area, or another comparable condition.

(e) The commissioner may grant an amount set by appropriation for private or commercial transportation for eligible students from isolated areas. The need for this type of transportation grant shall be determined on an individual basis and the amount granted shall not exceed the actual cost. The grants may be made only in extreme hardship cases. A grant may not be made if the students live within two miles of an approved school bus route.

(f) The cost of transporting career and technology education students from one campus to another inside a district or from a sending district to another secondary public school for a career and technology program or an area career and technology school or to an approved post-secondary institution under a contract for instruction approved by the agency shall be reimbursed based on the number of actual miles traveled times the district's official extracurricular travel per mile rate as set by the board of trustees and approved by the agency.



(g) A school district or county that provides special transportation services for eligible special education students is entitled to a state allocation paid on a previous year's cost-per-mile basis. The maximum rate per mile allowable shall be set by appropriation based on data gathered from the first year of each preceding biennium. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner may grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting eligible special education students. The mileage allowed shall be computed along the shortest public road from the student's home to school and back, morning and afternoon. The need for this type transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

(h) Funds allotted under this section must be used in providing transportation services.

(i) In the case of a district belonging to a county transportation system, the district's transportation allotment for purposes of determining a district's foundation school program allocations is determined on the basis of the number of approved daily route miles in the district multiplied by the allotment per mile to which the county transportation system is entitled.

(j) The Texas School for the Deaf is entitled to an allotment under this section. The commissioner shall determine the appropriate allotment.

(k) Notwithstanding any other provision of this section, the commissioner may not reduce the allotment to which a district or county is entitled under this section because the district or county provides transportation for an eligible student to and from a child-care facility, as defined by Section 42. 002, Human Resources Code, or a grandparent's residence instead of the student's residence, as authorized by Section 34.007, if the transportation is provided within the approved routes of the district or county for the school the student attends.

(l) A school district may, with the funds allotted under this section, provide a bus pass or card for another transportation system to each student who is eligible to use the regular transportation system of the district but for whom the regular transportation system of the district is not a feasible method of providing transportation. The commissioner by rule shall provide procedures for a school district to provide bus passes or cards to students under this subsection.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 1997, 75th Leg., ch. 1071, Sec. 17, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 169, Sec. 4, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 201, Sec. 32, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 352 (H.B. 3506), Sec. 1, eff. June 17, 2011.

**§ 42.156. GIFTED AND TALENTED STUDENT ALLOTMENT.**

(a) For each identified student a school district serves in a program for gifted and talented students that the district certifies to the commissioner as complying with Subchapter D, Chapter 29, a district is entitled to an annual allotment equal to the district's adjusted basic allotment as determined under Section 42.102 or Section 42.103, as applicable, multiplied by .12 for each school year or a greater amount provided by appropriation.

(b) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used in providing programs for gifted and talented students under Subchapter D, Chapter 29, including programs sanctioned by International Baccalaureate and Advanced Placement, or in developing programs for gifted and talented students. Each district must account for the expenditure of state funds as provided by rule of the State Board of Education. If by the end of the 12th month after receiving an allotment for developing a program a district has failed to implement a program, the district must refund the amount of the allotment to the agency within 30 days.

(c) Not more than five percent of a district's students in average daily attendance are eligible for funding under this section.

(d) If the amount of state funds for which school districts are eligible under this section exceeds the amount of state funds appropriated in any year for the programs, the commissioner shall reduce each district's tier one allotments in the same manner described for a reduction in allotments under Section 42.253.

(e) If the total amount of funds allotted under this section before a date set by rule of the State Board of Education is less than the total amount appropriated for a school year, the commissioner shall transfer the remainder to any program for which an allotment under Section 42.152 may be used.

(f) After each district has received allotted funds for this program, the State Board of Education may use up to \$500,000 of the funds allocated under this section for programs such as MATHCOUNTS, Future Problem Solving, Odyssey of the Mind, and Academic Decathlon, as long as these funds are used to train personnel and provide program services. To be eligible for funding under this subsection, a program must be determined by the State Board of Education to provide services that are effective and consistent with the state plan for gifted and talented education.

Added by Acts 1995, 74th Leg., ch. 260, § 1, eff. May 30, 1995.

**Sec. 42.157. PUBLIC EDUCATION GRANT ALLOTMENT.**

(a) Except as provided by Subsection (b), for each student in average daily attendance who is using a public education grant under Subchapter G, Chapter 29, to attend school in a district other than the

district in which the student resides, the district in which the student attends school is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight of 0.1.

(b) The total number of allotments under this section to which a district is entitled may not exceed the number by which the number of students using public education grants to attend school in the district exceeds the number of students who reside in the district and use public education grants to attend school in another district.

Added by Acts 1997, 75th Leg., ch. 722, Sec. 5, eff. Sept. 1, 1997.

**Sec. 42.158. NEW INSTRUCTIONAL FACILITY ALLOTMENT.**

(a) A school district is entitled to an additional allotment as provided by this section for operational expenses associated with opening a new instructional facility.

(b) For the first school year in which students attend a new instructional facility, a school district is entitled to an allotment of \$250 for each student in average daily attendance at the facility. For the second school year in which students attend that instructional facility, a school district is entitled to an allotment of \$250 for each additional student in average daily attendance at the facility.

(c) For purposes of this section, the number of additional students in average daily attendance at a facility is the difference between the number of students in average daily attendance in the current year at that facility and the number of students in average daily attendance at that facility in the preceding year.

(d) Subject to Subsection (d-1), the amount appropriated for allotments under this section may not exceed \$25 million in a school year. If the total amount of allotments to which districts are entitled under this section for a school year exceeds the amount appropriated under this subsection, the commissioner shall reduce each district's allotment under this section in the manner provided by Section [42.253\(h\)](#).

(d-1) In addition to the appropriation amount described by Subsection (d), the amount of \$1 million may be appropriated each school year to supplement the allotment to which a school district is entitled under this section that may be provided using the appropriation amount described by Subsection (d). The commissioner shall first apply the funds appropriated under this subsection to prevent any reduction under Subsection (d) in the allotment for attendance at an eligible high school instructional facility, subject to the maximum amount of \$250 for each student in average daily attendance. Any funds remaining after preventing all reductions in amounts due for high school instructional facilities

may be applied proportionally to all other eligible instructional facilities, subject to the maximum amount of \$250 for each student in average daily attendance.

(e) A school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized wealth level is entitled to a credit, in the amount of the allotments to which the district is entitled under this section, against the total amount required under Section 41.093 for the district to purchase attendance credits. A school district that is otherwise ineligible for state aid under this chapter is entitled to receive allotments under this section.

(f) The commissioner may adopt rules necessary to implement this section.

(g) In this section, "instructional facility" has the meaning assigned by Section 46.001.

Added by Acts 1999, 76th Leg., ch. 396, Sec. 1.14, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1058 (H.B. 2237), Sec. 15, eff. June 15, 2007.

**Sec. 42.160. HIGH SCHOOL ALLOTMENT.**

(a) A school district is entitled to an annual allotment of \$275 for each student in average daily attendance in grades 9 through 12 in the district.

(b) A school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized wealth level is entitled to a credit, in the amount of the allotments to which the district is entitled under this section, against the total amount required under Section 41.093 for the district to purchase attendance credits. A school district that is otherwise ineligible for state aid under this chapter is entitled to receive allotments under this section.

(c) An open-enrollment charter school is entitled to an allotment under this section in the same manner as a school district.

(d) The commissioner shall adopt rules to administer this section, including rules related to the permissible use of funds allocated under this section to an open-enrollment charter school.

Added by Acts 2009, 81st Leg., R.S., Ch. 1328, Sec. 56, eff. September 1, 2009. 27

## **APPENDIX C**

### **SCE Changes – 78th Legislature**

#### **Effective September 2003**

- Full provisions of the SCE changes can be found in HB3459
- Rescinded Agreed-Upon Procedures (AUPs) Engagements [Audit] by independent auditors
- Replaced AUPs with local audit for high risk school districts
- Provided flexibility by permitting schools to fund basic costs of programs specifically designed to serve students at risk of dropping out of school
- Lowered the low income student percentage for school-wide participation to 40%
- Required the Commissioner to implement an electronic monitoring process (reporting and auditing) which identifies schools with high risk factors for noncompliance and reporting deficiencies
- Requires TEA to direct certain schools to have a local audit or to have an on-site visit by agency staff
- Requires the Commissioner to withhold foundation school funds until the district presents a detailed plan to comply with comp ed guidelines

#### **Use of Funds:**

- Funds may be used to serve students enrolled in an accelerated reading program
- Funds may be used to serve dyslexia students (Note: Students who are identified as dyslexic are not to be coded as “at risk” even though the funds may be used to serve their needs.)
- Funds may be used for mentoring services for “at risk” students
- Funds may only be used for costs “supplementary” to the costs of the “regular program”

#### **District and Campus Plans:**

- TEA wants the campus site based committee to become involved in planning and use of SCE funds.
- At risk entry/exit procedures must be in DIP/CIP
- Direct costs chargeable to SCE must be identified in the DIP/CIP
- At risk programs and services must be identified in the DIP/CIP
- Results of the evaluation (districts must evaluate the effectiveness of SCE programs) must be included in the DIP
- TEA will match the staff FTEs reported on the CIP to the PEIMS staff responsibility data submitted in the Fall submission.

#### **Electronic Monitoring Process:**

- Up to three types of electronic documents must be submitted dependent upon the district’s risk factor

- DIP – required for all districts
- CIP – at least two campuses required for all districts
- Local evaluations of strategies, activities, and programs – dependent upon risk factor
- Electronic submission to TEA no later than the 150th day after the last resubmission date for the PEIMS Mid-Year submission
  - The 2012-2013 district and campus plans will be due to TEA before July 2014.
  - An option to the electronic submission is to post the DIP and CIPs on the district website and provide the URL address to TEA.

**SCE Documentation Required:**

- DIP/CIP
- Teachers’ and teacher assistants’ schedules – the staff paid with SCE funds
- Campus staffing formulas – for entire campus
- Job descriptions
- Time and effort logs – for staff that is split-funded
- Student case counts
- Student entry and exit documentation
- Local criteria for placing students in an “at risk” category, if any

**APPENDIX D**

**Pampa ISD  
Purchasing Deadlines  
2017-2018**

**The outside auditors check that items purchased during the school year are received for instructional purposes during that particular school year.**

**Local funds and Carl D. Perkins Federal Grant**

Orders for supplies and equipment (6300's and 6600's) March 31, 2018

All contracted & travel/misc. encumbered (6200's and 6400's) June 1, 2018

Before campus offices are closed for the summer and campus secretaries are gone for the summer - Check to see that all items have been received; and all pink copies sent to the Business Office.

**All Federal, excluding Carl D. Perkins, and State Grants**

Orders for supplies & equipment (6300's and 6600's) March 31, 2018

All services & travel/misc. encumbered (6200's and 6400's) June 30, 2018

Before campus offices are closed for the summer and campus secretaries are gone for the summer - Check to see that all items have been received; and all pink copies sent to the Business Office.

Day to day supplies for instruction and operations are not included in the above deadlines. Any unexpected expenses must be approved by the Business Office.





# Appendix F

## PAMPA INDEPENDENT SCHOOL DISTRICT BUDGET CHANGE REQUEST

BUDGET CODE	ACCOUNT TITLE ACCOUNT CODE	PRESENT BUDGET	CHANGE + OR -	AMENDED BUDGET
1) _____	_____	_____	_____	_____
EXPLANATION: _____				
_____				
_____				
2) _____	_____	_____	_____	_____
EXPLANATION: _____				
_____				
_____				
3) _____	_____	_____	_____	_____
EXPLANATION: _____				
_____				
_____				
4) _____	_____	_____	_____	_____
EXPLANATION: _____				
_____				
_____				
5) _____	_____	_____	_____	_____
EXPLANATION: _____				
_____				
_____				
6) _____	_____	_____	_____	_____
EXPLANATION: _____				
_____				
_____				
TOTALS		=====	=====	=====

APPROVALS:

\_\_\_\_\_  
ORGANIZATION MANAGER  
DATE: \_\_\_\_\_

\_\_\_\_\_  
BUSINESS MANAGER  
DATE: \_\_\_\_\_

\_\_\_\_\_  
SUPERINTENDENT  
DATE: \_\_\_\_\_

## **APPENDIX G STAFF ALLOCATION FORMULA**

### **ELEMENTARY SCHOOL**

#### **ADMINISTRATION:**

- |                   |                    |
|-------------------|--------------------|
| 1) PRINCIPAL      | 1.0 FTE PER SCHOOL |
| 2) VICE PRINCIPAL | 1.0 FTE PER SCHOOL |

#### **REGULAR CLASSROOM TEACHER (CORE AREA):**

GRADES	RATIO: STUDENTS/TEACHER
1) PK	1.0 TEACHER PER 18 STUDENTS
2) K	1.0 TEACHER PER 20 STUDENTS
3) 1 - 4	1.0 TEACHER PER 22 STUDENTS
4) 5	1.0 TEACHER PER 27 STUDENTS

#### **TEACHER SPECIALISTS (ART, MUSIC, AND PE):**

- |          |                         |
|----------|-------------------------|
| 1) ART   | 1.0 TEACHER PER SCHOOL  |
| 2) MUSIC | 1.0 TEACHER PER SCHOOL  |
| 3) PE    | 1.0 TEACHERS PER SCHOOL |

ENROLLMENT 500+ 2.0 FTE PER SCHOOL

#### **SUPPORT STAFF:** 2.0 FTE PER SCHOOL

- |              |                      |
|--------------|----------------------|
| 1) LIBRARIAN | 1.0 FTE PER DISTRICT |
| 2) COUNSELOR | 1.0 FTE PER SCHOOL   |

ENROLLMENT 500+ 2.0 FTE PER SCHOOL

- |          |                      |
|----------|----------------------|
| 3) NURSE | 1.0 FTE PER DISTRICT |
|----------|----------------------|

ENROLLMENT 750+ 2.0 FTE PER DISTRICT

- |                       |                    |
|-----------------------|--------------------|
| 4) READING SPECIALIST | 1.0 FTE PER SCHOOL |
|-----------------------|--------------------|

**SPECIAL EDUCATION:** 1.0 FTE PER SCHOOL

POSITIONS (MAY INCLUDE): BASED ON STUDENT NEEDS AND INSTRUCTIONAL ARRANGEMENTS

- 1) RESOURCE TEACHER
- 2) SELF-CONTAINED: MR/LD, ED, LIFE SKILLS, PPCD
- 3) OCCUPATIONAL THERAPIST\*
- 4) PHYSICAL THERAPIST\*
- 5) PSYCHOLOGIST
- 6) SPECIAL EDUCATION COUNSELING SERVICES\*
- 7) HOME BOUND TEACHER
- 8) CONTENT MASTERY CENTER
- 9) SPEECH THERAPIST\*

**SECRETARIES/CLERICAL:** 1.0 FTE PER SCHOOL

- 1) PRINCIPAL'S SECRETARY 1.0 FTE PER SCHOOL
- 2) CAMPUS OFFICE SECRETARY 1.0 FTE PER SCHOOL
- 3) CAMPUS REGISTRAR/PEIMS 1.0 FTE PER SCHOOL

**INSTRUCTIONAL AIDES:** 1.0 FTE PER SCHOOL

GRADES RATIO: AIDE PER UNIT

- 1) GRADE PK 1.0 FTE PER UNIT
- 2) GRADE K 1.0 FTE PER TWO UNITS

**OTHER AIDES:** 1.0 FTE PER TWO UNITS

- 1) PE AIDE 1.0 FTE PER SCHOOL

ENROLLMENT 500+ 2.0 FTE PER SCHOOL

- 2) ISS AIDE 1.0 FTE PER SCHOOL

- 3) SPECIAL EDUCATION AIDES 1.0 FTE PER SCHOOL

MR, ED, LIFE SKILLS, PPCD 1.0 FTE PER UNIT

4) COMPUTER LAB AIDES

BASED ON PROGRAM NEEDS

5) LIBRARY AIDE

1.0 FTE PER SCHOOL

## Appendix H

### Pampa I.S.D.

#### 2017-18 Budget Calendar

February 20, 2017	Budget Packets sent to all organizations
March 13, 2017	Principal/Administrators submit their proposed budgets (line item and new program budgets) to the Business Office. Prioritized list of major projects are due to the Superintendent – to include needs assessment and costs associated
March 31, 2017	Administrative Review of proposed budget
April 28, 2017	Certified Estimated Tax Values published
May 22, 2017	Budget Workshop with the Board of Trustees, Vote on date for Public Hearing and Tax Rate to publish for public hearing
June 13, 2017	Notice of Public Hearing on Proposed Budget is published in paper (send 1 week prior)
June 26, 2017	Public Hearing on Proposed Budget. Board Adopts Budget for 2017-2018.
July 3, 2017	First Day to spend 2017-2018 Budget
August 28, 2017	Board Adopt 2017-18 Tax Rate

## **Appendix I**

### **Preparing and Submitting a Campus Budget**

- Review the District Improvement Plan and Goals
- Prepare a Needs Assessment for all student populations for the Campus
- Update the Campus Improvement Plan
- Ensure that the campus plan and the campus' proposed budget are "linked", i.e. all strategies listed on the campus plan should be included in the proposed budget if a cost for staff, supplies, travel, etc. will be incurred
- Determine if any program and/or master schedule changes will be implemented during the next school year
- Determine the staffing needs for the upcoming school year
- Obtain the campus or department allocation from the CFO or Accountant
- Complete the budget request forms and submit to the CFO or Accountant
- Budget for fixed costs such as copier rentals/leases, contractual obligations, ESC commitments, etc.
- Ensure that special program funds are budgeted for all special populations represented on the campus
- Prepare and submit a prioritized list of major projects – to include costs associated with proposed new programs, buildings renovations, fixed assets (equipment with a unit cost > \$5000) , and technology projects
- Prepare a Staff FTE Report for the campus – to include all professional and paraprofessional staff
- Ensure that all Staff FTE's and expenditures, for at least the State Compensatory Education (SCE) program, are clearly indicated on the campus plan

### **Monitoring the Budget**

- Financial reports are available via the accounting system on a real-time basis
- Campus and department staff are authorized to view their respective budgets
- Periodic monitoring (at least monthly) should be conducted with the site-based committee
- The timing of planned expenditures should be noted and documented – the campus plan timelines should aid in this process
- Budget resources should be realigned as the need arises due to changes in the instructional program and/or campus plan
- The purchasing deadlines should be adhered to – Appendix D

### **Amending the Budget**

- Budget amendments are mandated by the state when funds are moved from one functional area to another – these amendments require Board approval. Adequate planning is required to present amendments to the Board periodically.
- Budget transfers (within functional areas) – may be initiated by a campus principal or director as the need arises. The CFO or Accountant will approve and record budget transfers on a timely basis.
- The Final Amended Budget shall be approved by the School Board prior to June 30th for the current fiscal year
- A Budget Transfer Form is enclosed as Appendix E
- A Budget Amendment Form is enclosed as Appendix F

### **Evaluation of the Budget – At Year-End**

- As part of the campus planning process, the budget should be reviewed at year-end to determine if:
  - The campus used its resources to meet the district goals
  - The campus used its resources to meet the campus goals
  - The campus used its resources to serve all student populations
  - The campus used its special program allotments for special education, gifted and talented, etc. to supplement the basic instruction for all identified students
  - The campus realigned its resources as needed during the school year to meet the changing needs of the students
  - The campus should consider adding and/or deleting programs