

# 2021-2022 Budget Presentation #5

*ADA Adjustment and Budget  
Impact*

*April 11, 2022*



# 2021-2022 ADA Adjustment



*Updates to Attendance &  
Enrollment Projections Based on  
TEA Announced ADA Adjustment*



# 2021-2022 ADA Adjustment

**NEW! – Released March 29, 2022 – 1<sup>st</sup> to 4<sup>th</sup> Six Weeks**



To the Administrator Addressed

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

<b>DATE:</b>	March 29, 2022
<b>SUBJECT:</b>	Official Notification of the 2021–2022 Operational Minutes Adjustment
<b>CATEGORY:</b>	Information Update
<b>NEXT STEPS:</b>	Share with finance staff

This letter supersedes the *To The Administrator Addressed* correspondence entitled “Official Notification of the 2021–2022 Operational Minutes Adjustment,” dated November 11, 2021. This letter provides guidance to school districts and open-enrollment charter schools (LEAs) that are eligible for a reduction in the number of required 75,600 minutes of operation<sup>1</sup>. Texas Education Code (TEC), §25.081(b), provides that the commissioner may approve the operation of schools for fewer than 75,600 minutes if a disaster, flood, extreme weather condition, fuel curtailment, or other calamity causes the closing of schools.

## Background

During the 2021–2022 school year, many LEAs have experienced losses in average daily attendance (ADA) due to low rates of attendance caused by the ongoing COVID-19 pandemic. Because ADA is a major component in determining Foundation School Program (FSP) funds, a loss of ADA would normally result in: (1) a loss of FSP funds for affected LEAs during the September 2022 FSP settle-up process; or (2) an increase in recapture obligations.

## Methodology

For each LEA, the agency will calculate a target percentage attendance rate (TPAR), which will be the LEA’s average percentage attendance rate for the first four six-week attendance reporting periods of the 2019-2020 school year. LEAs that were not in operation during the 2019-2020 school year will be assigned the state average TPAR for the first four six-week attendance reporting periods of the 2019-2020 school year for purposes of the calculation described above.

The agency will compare each LEA’s average actual percentage attendance rate for the first through fourth six-week attendance reporting periods of the 2021-2022 school year with the TPAR. If the agency determines that the LEA experienced an average actual percentage attendance rate that is less than the TPAR, the agency will adjust operational minutes for that LEA as necessary to increase the average actual percentage attendance rate to the TPAR. This adjustment will also apply to attendance reported in special instructional settings.

The TPAR for the first four six-week attendance reporting periods of the 2019-2020 school year is calculated as follows:

- $TPAR = \text{Total Days Present} \div \text{Total Days Membership}$ , where
- $\text{Total Days Present} = \text{Total Eligible Days Present}^2 + \text{Total Ineligible Days Present}$ , and
- $\text{Total Days Membership} = \text{Total Days Present} + \text{Total Days Absent}$

The agency will use the same methodology to calculate the actual average percentage attendance rate for the first four six-week attendance reporting periods of the 2021-2022 school year.

# 2021-2022 ADA Adjustment

- Operational Minutes Adjustment – confusing name, Districts' **must still comply** with 75,600 operational minute requirement
- Applies to the **first 4 six-week reporting periods** of the current school year (prior adjustment announced back in November only impacted the 1st six weeks)
- Does not hold a district harmless for **losses due to enrollment declines**.
- **Does not supplant** federal funds to offset or pay for the ADA adjustment
- Applies to **Refined ADA and other special allotments** – Bilingual, Early Education, Special Education, and Career & Technology

# 2021-2022 ADA Adjustment

- Adjustment focuses on each District's **Target Percentage Attendance Rate (TAPR)**
  - TAPR = District's average percentage attendance rate for the first four six-week attendance reporting periods of the 2019–2020 school year
- Districts will receive the **greater of:**
  - TAPR – or –
  - 2021-2022 average actual percentage attendance rate for first four six weeks

	Calallen ISD Rate
2019-20 TAPR	95.62%
2021-22 Actual Average	91.70%

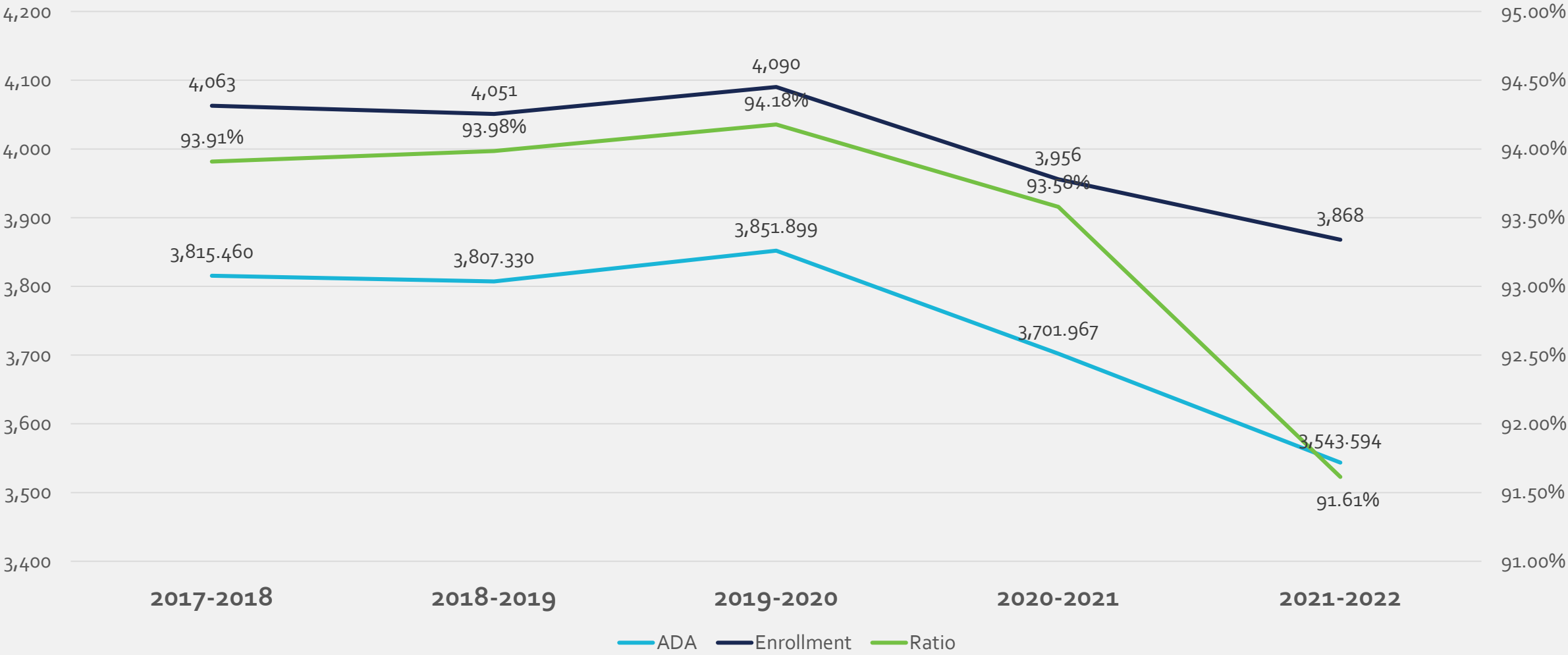
- The result is applied to the average actual total refined ADA for the first four six weeks of the 2021-2022 school year

# ADA & Enrollment History and Projections

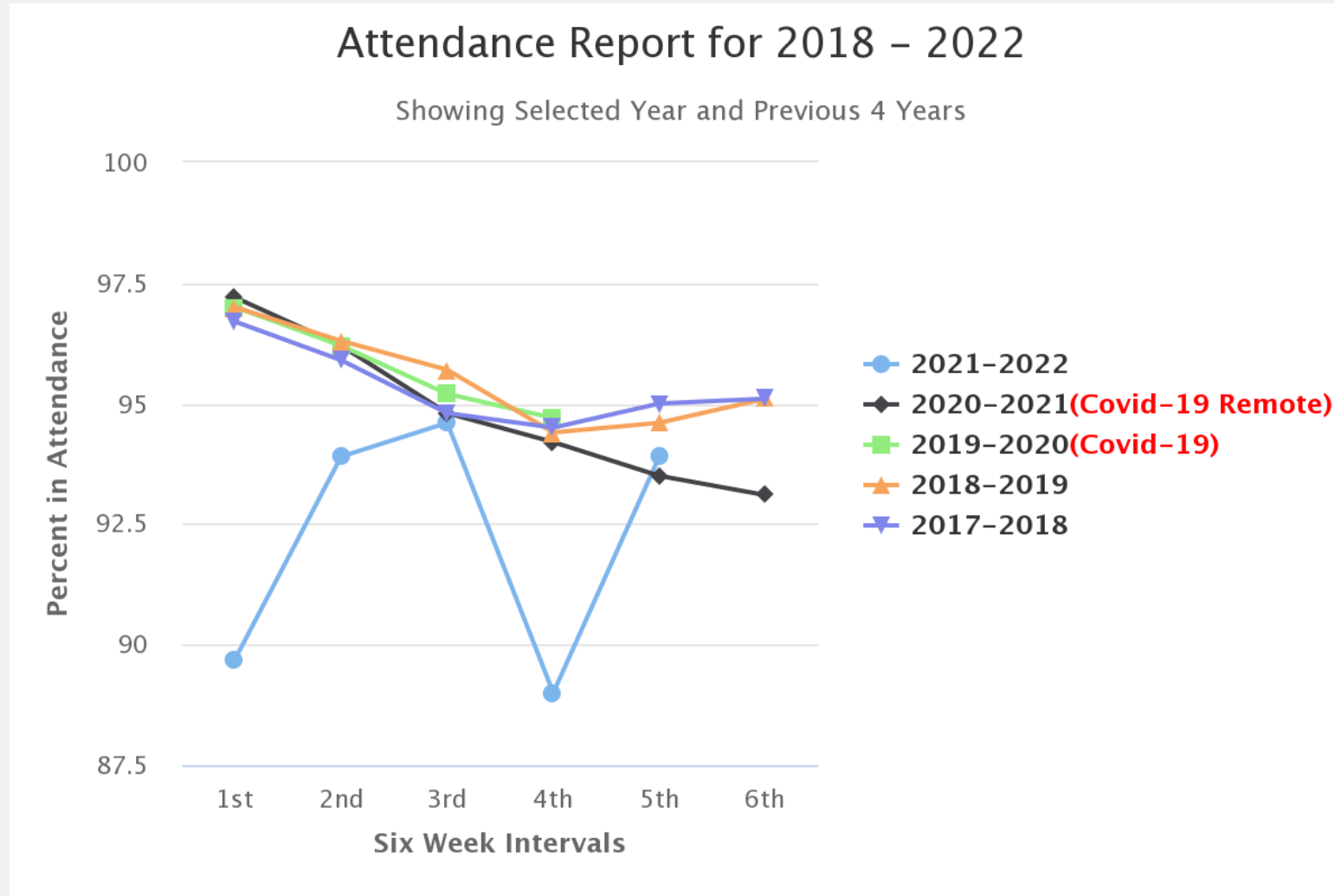
	October Snapshot Enrollment	Final ADA	Attendance Ratio
2017-18	4,063	3,815.406	93.91%
2018-19	4,051	3,807.330	93.98%
2019-20	4,090	3,851.899	94.18%
2020-21	3,956	3,701.967	93.58%
<b>2021-22 Budget</b>	<b>3,824</b>	<b>3,589.145</b>	<b>93.85%</b>
<b>2021-22 Actual</b>	<b>3,868</b>	<b>3,543,495</b>	<b>91.61%</b>
<b>2021-22 Feb Est.</b>	<b>3,868</b>	<b>3,610.775</b>	<b>HH</b>
<b>2021-22 Projection*</b>	<b>3,868</b>	<b>3,646.561</b>	<b>HH</b>

*\*Based on current understanding of HH provision and historical trends*

# ADA, Attendance & Enrollment Graph



# 5 Year Six Week Attendance Report





# Budget and Finance Updates



*2021-22 Year End Updated Budget  
and Finance Estimates*



# General Fund - Revenue

	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 YE Est. February	2021-22 YE Est. April
Property Taxes	\$17,942,639	\$18,399,995	\$18,450,000	\$18,860,856	\$18,638,080
Other Local	\$577,936	\$275,662	\$225,000	\$239,799	\$259,828
State Revenue	*\$19,149,891	*\$19,701,764	\$17,550,000	\$17,648,395	\$17,800,908
TRS On-Behalf	\$2,214,710	\$2,103,919	\$2,071,819	\$2,116,635	\$2,104,114
Federal Revenue	\$376,518	\$376,665	\$300,000	\$306,427	\$627,091
<b>Subtotal</b>	<b>\$40,261,694</b>	<b>\$40,858,005</b>	<b>\$38,596,819</b>	<b>\$39,172,112</b>	<b>\$39,430,021</b>
<i>Ch 313s</i>	\$1,629,015	\$1,427,406	\$2,000,000	\$2,779,118	\$2,779,118
<i>Hurr Harvey</i>					
<i>COVID-19</i>	\$476,546	\$347,042			
<b>Total</b>	<b>\$42,637,255</b>	<b>\$42,632,452</b>	<b>\$40,596,819</b>	<b>\$41,951,230</b>	<b>\$42,209,139</b>
<i>Tax Collection Growth</i>	<i>-0.94%</i>	<i>2.55%</i>	<i>0.27%</i>	<i>2.50%</i>	<i>1.29%</i>
<i>State Funding Growth</i>	<i>14.74%</i>	<i>2.88%</i>	<i>-10.92%</i>	<i>-10.42%</i>	<i>-9.65%</i>
<i>YOY w/o CH 313 &amp; Others</i>	<i>6.24%</i>	<i>1.48%</i>	<i>-5.53%</i>	<i>-4.13%</i>	<i>-3.49%</i>

\*State Revenue Reduced and Supplanted with ESSER Federal Grant Funds, Hold Harmless

# General Fund – Fund Balance

	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 YE Est. February	2021-22 YE Est. April
Total Revenue	\$42,367,255	\$42,632,452	\$40,596,819	\$41,962,003	\$42,209,139
Total Expense	(\$38,893,457)	(\$40,788,156)	(\$44,993,205)	(\$43,099,059)	(\$43,526,636)
Net Roll/Loss	<b>\$3,473,798</b>	<b>\$1,844,296</b>	<b>(\$4,396,386)</b>	<b>(\$1,147,829)</b>	<b>(\$1,317,497)</b>
Beg Fund Balance	\$17,819,524	\$21,293,322	\$23,137,618	\$23,137,618	\$23,137,618
<b>End Fund Balance</b>	<b>\$21,293,322</b>	<b>\$23,137,618</b>	<b>\$18,741,232</b>	<b>\$21,989,789</b>	<b>\$21,820,121</b>

## Notes and Considerations:

- 2017-18 Fund Balance inflated by Chapter 313 payments – Increase of \$3,133,031
- 2018-19 Fund Balance inflated by TEA Hurricane Harvey Property Value Decline Appropriation – Increase of \$3,479,330
- 2019-20 & 2020-21 Fund Balance inflated by COVID-19 decreased spending and Hold Harmless appropriations
- **\*2021-22 includes a \$2,000,000 budgeted transfer for Magee Repairs, Bond Projects, and Maintenance Tax**

## Notes

# Questions, Comments, Discussion?

