



July 15, 2016

To the Administrator Addressed:

Subject: Official Notification of Chapter 41 Status for 2016–2017

This letter is official notification of your district's Chapter 41 status for the 2016–2017 school year. It allows your district to move forward with election preparation, if necessary.

We estimate that your district's wealth per resident student in weighted average daily attendance (WADA) will exceed the equalized wealth level (EWL) of \$319,500, as established by the Texas Education Code (TEC), §41.002(a)(3). This estimate is based on the T2 property value certified by the Texas Comptroller's Property Tax Assistance Division (PTAD) for the tax year 2015 and the projected number of resident WADA for the 2016–2017 school year. **Because the final certified property values from the PTAD were not available in time for us to use them in providing official notification, we have used the revised preliminary values. Once the final certified values are available, we will review the data and notify you if your wealth per WADA falls below the equalized wealth level and you will no longer have to comply with the provisions of Chapter 41 for the 2016-2017 school year. The final values will ultimately be used to determine Chapter 41 equalization requirements.**

For the upcoming school year, 2016–2017, the first EWL is \$514,000 per WADA, and the third EWL remains \$319,500 per WADA. A district identified as having a wealth level between \$319,500 and \$514,000 per WADA will not pay recapture unless its adopted tax rate for maintenance and operations (M&O) exceeds its compressed rate plus six pennies.

Based on current data, your district will be required to reduce its wealth per WADA for the 2016–2017 school year using one or more of the statutory options available.

On receipt of this letter, your district must submit the district intent/choice selection form through the Chapter 41 subsystem of the online Foundation School Program (FSP) system

Estimates for 2016–2017

The enclosed printout provides information about the calculations affecting your district. The printout calculates wealth per WADA assuming no tuition is charged to educate nonresident students, and calculates the wealth per WADA assuming tuition is charged. If tuition is charged, the WADA of those students for whom tuition is charged is subtracted from the district's Chapter 42 WADA to derive Chapter 41 WADA. You are receiving this letter because one of the calculations of wealth per WADA for your district exceeds \$319,500 based on current estimates.

Districts New to Chapter 41 Status

Under current law, a district with property wealth per WADA above the EWL has the following five options available to reduce its wealth per resident student:

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