

● Pending Executed Copy

11-14-01 (REVISED) PLANO ISD

CONTRACT FOR EDUCATION OF NON-RESIDENT STUDENTS

I. Introduction

This Contract for Education of Non-Resident Students ("Contract") is made and entered into by and between the Plano Independent School District ("PISD") and the Laredo Independent School District ("LISD") pursuant to the Texas Education Code, Chapter 41, Subchapters A and E. This Contract has been authorized by the voters of PISD at a lawfully called and conducted election. This Contract shall be in effect only after approval by the Boards of Trustees of both the PISD and the LISD, and approval as to form by the Texas Commissioner of Education.

II. Purpose

The primary purpose of this Contract is to reduce PISD's wealth per weighted student in average daily attendance to the statutorily required wealth level as established by the Texas Education Code, Section 41.002. A further purpose of this Contract is to provide LISD with additional funds to develop programs to improve the academic performance of at-risk students and other designated students of LISD.

III. Term, Non-Renewal, Termination

A. Subject to approval by the Boards of Trustees of the PISD and the LISD, and approval as to form by the Texas Commissioner of Education, this Contract is effective on September 1, 2001 and expires on August 31, 2002. Either PISD or LISD may non-renew this Contract by giving written notice on or before June 1st of any school year for which it is in effect. If no such written notice of non-renewal is given, this Contract shall be renewed for an additional one-year term without the requirement for further action by PISD or LISD. However, a new

copy of this Contract must be submitted annually for review and approval by the Texas Commissioner of Education.

B. If the Texas public school finance system, as currently established by applicable provisions of the Texas Education Code, is declared to be unconstitutional or otherwise invalid or unenforceable by a court of competent jurisdiction, or if the Texas Legislature revises the system to eliminate the option or requirement for this Contract, this Contract shall terminate on the date established by the court or by the Legislature. If no such date is specifically established, this Contract shall terminate on August 31st following the action by the court or legislature.

IV. Responsibilities of PISD

A. The PISD hereby agrees to support financially the education of approximately 731 students in weighted average daily attendance in LISD by purchasing attendance credits from LISD for the 2000-2001 school year and to pay LISD the approximate amount of \$3,290,000 after all credits to which PISD is entitled have been deducted. The payment from PISD to LISD shall be made in three (3) amounts on or before the 15th day of February, May and August of 2002 or of any subsequent year for which this Contract is in effect, with twenty-five percent (25%) of the approximate amount paid in February, fifty percent (50%) paid in May, and twenty-five percent (25%) paid in August. The total amount of such payments shall be computed by multiplying the weighted average daily attendance of the LISD students supported by PISD, by PISD's estimated maintenance and operations tax revenue per student in weighted average daily attendance for the 2000-2001 school year, minus an amount equal to the lesser of five percent (5%) of the cost of a Subchapter E Contract or \$100 per student in weighted average

daily attendance in PISD, and further minus an approximate amount of \$18,000 to account for PISD's credit for designated appraisal costs as described herein.

B. The payment for any succeeding school year for which this Contract is in effect shall be recalculated based upon PISD's wealth per student in weighted average daily attendance, maintenance and operations tax revenue per student in weighted average daily attendance, and appraisal costs for that year, and based upon the Commissioner of Education's determination of the appropriate efficiency credit for each such year.

C. The PISD is entitled to a credit for the proportionate share of PISD's expenses for the operation of the Collin County Appraisal District ("CCAD") equal to the percentage that the funds transferred by PISD to LISD constitute of total maintenance and operations tax revenues collected by PISD for the 2000 tax year, such credit estimated to be approximately \$18,000 for the 2000-2001 school year. The amount of this credit shall be recalculated for any subsequent year for which this Contract is in effect. This credit is based upon the determination by the parties to this Contract that LISD is the beneficiary of this proportionate share of the costs incurred by PISD for the operation of the CCAD, PISD receives no direct benefit from such costs.

V. Responsibilities of LISD

A. The LISD hereby accepts the financial support offered by PISD. The LISD will provide for the actual education of all students in LISD and has the sole responsibility to provide such students with a quality educational program, facilities and equipment suitable to their educational needs. By executing this Contract by which PISD purchases attendance credits and provides financial support for the education of a designated number of LISD students, neither

PISD nor LISD intend to alter in any manner the responsibility for the actual provision of education to LISD students. The LISD shall be solely responsible for all aspects of the educational program offered to its students, and all such students shall be subject to the policies and regulations of LISD.

B. The parties to this Contract recognize and agree that, for each attendance credit purchased by PISD from LISD, LISD's state aid will be reduced by an amount equal to its 2001-2002 state and local revenues per student in weighted average daily attendance for tiers 1, 2, and 3 of the Foundation School Program in accordance with the Texas Education Code, Chapter 42, Subchapter E. Attendance credits purchased by PISD from LISD shall be deducted from LISD's total number of students in weighted average daily attendance to determine LISD's wealth per student in weighted average daily attendance and resulting state aid.

C. The funds provided by PISD to LISD pursuant to this Contract shall be used for the following purposes:

1. The first use of funds retained by LISD shall be to replace all state funds lost by LISD as a result of the execution of this Contract.

2. All remaining funds retained by LISD shall be used for educational programs beneficial to the students of LISD, to provide a qualified program in accordance with requirements established by the Texas Commissioner of Education, and for purposes approved by the Texas Commissioner of Education so that PISD will qualify for the full allowable credits as provided in Section IV of this Contract. Specifically, LISD agrees to use all of the gain from the sale of WADA for instructional technology, so that the LISD will qualify the PISD for the full credits as provided in Section IV of this Contract.

VI. Year-End and Final Adjustments

A. Year-End Adjustment. The PISD and LISD recognize that PISD's payment to LISD is based upon an estimate of PISD's maintenance and operations tax revenue per student in weighted average daily attendance collected for the 2001-2002 school year or for any subsequent year for which this Contract is in effect. Further, the PISD and LISD recognize that the approximate number of attendance credits purchased by PISD from LISD may need to be adjusted to enable PISD to meet the statutorily required wealth level. The August payment by PISD to LISD shall be adjusted to reflect PISD's actual tax collections and appraisal costs for that year and the actual number of attendance credits that PISD needs to purchase from LISD; provided, that PISD's payment to LISD shall not in any event be less than the statewide district average of maintenance and operations tax revenue per student in weighted average daily attendance for the preceding school year.

B. Final Adjustment. The PISD and LISD recognize that the calculations included in this Contract are based upon estimates of the number of students in weighted average daily attendance in PISD for the 2001-2002 school year, PISD's wealth per student in weighted average daily attendance, and PISD's maintenance and operations tax revenue for each student in weighted average daily attendance. Further, the amount of total funds retained by LISD is based upon an estimate of the cost to LISD for the sale of attendance credits. The PISD and LISD recognize that the Texas Education Agency may conduct financial and attendance audits subsequent to the end of each year for which this Contract is in effect. Once final data is received from the Texas Education Agency, PISD and LISD agree that the payment from PISD

to LISD shall be recalculated, and any corrected payment shall be made within thirty (30) days after the receipt of final data from the Texas Education Agency.

VII. Miscellaneous Provisions

A. This Contract shall be interpreted and enforced in accordance with the laws of the State of Texas. The parties specifically agree that exclusive venue for any dispute regarding the interpretation or enforcement of this Contract shall be in Collin County, Texas.

B. The execution of this Contract and the performance of respective responsibilities there under do not alter in any manner the existing governance or educational responsibility of either PISD or LISD or their respective Boards of Trustees.

C. This Contract may be amended by written agreement of PISD and LISD with the approval of the Texas Commissioner of Education at any time during any year for which it is in effect.

D. This Contract is executed in one original, which will be retained by PISD, with copies provided to LISD and the Texas Commissioner of Education.

Plano Independent School District
County-District No. 043-910

Laredo Independent School District
County-District No. 240-901

President, Board of Trustees,
Plano Independent School District
Date: _____

President, Board of Trustees,
Laredo Independent School District
Date: _____

Secretary, Board of Trustees,
Plano Independent School District
Date: _____

Secretary, Board of Trustees,
Laredo Independent School District
Date: _____

Superintendent,
Plano Independent School District
Date: _____

Superintendent,
Laredo Independent School District
Date: _____

Texas Commissioner of Education or
Authorized Designee
Date: _____