

# Instructional Facilities Allotment (IFA) Amendments: When, Where, What, How, and Why

## When Are IFA Amendments Required?

The commissioner's rules outlined in [19 Texas Administrative Code §61.1032, Instructional Facilities Allotment](#), require an IFA-awarded district to timely notify the Texas Education Agency's IFA financial analyst when financing activities such as the following occur:

- Refunding or refinancing of bond issues
- Renegotiation of lease-purchase terms
- Change in use of bond proceeds
- Other actions taken by your district that might affect state funding requirements

**IFA payments may be held until all required information is received, processed, and approved.**

## Where Should We Send Amendments?

Send signed and dated *application amendments* as a PDF file for each separate title/name of an applicable bond issue or lease-purchase to: [IFAApplcations@tea.texas.gov](mailto:IFAApplcations@tea.texas.gov).

Send signed and dated *refunding amendments* as a PDF file for each separate title/name of an applicable bond issue or lease-purchase to: [IFARefundingAmendments@tea.texas.gov](mailto:IFARefundingAmendments@tea.texas.gov).

Include Excel versions of Schedules #4C, #4D and #4E, as applicable. See [Application Forms and Schedules](#).

## What Is Required to Amend an Application, and How Do I Complete the Forms?

Changes to an original, approved IFA application require a full amendment to the application, as well as official documentation that supports information provided in the amended schedules. The most current versions of required schedules should be downloaded from the [IFA web page](#). Detailed instructions are found on each schedule. Additional information and details are described below.

### Amendments: Required Forms/Schedules

A link to individual copies of the IFA application schedules and the [overview and instructions](#) for completing them are available on the [IFA web page](#).

- **[Schedule #1 - General Information](#)**. Complete, sign, and date this form. Use this form to certify the amendment, identify the amendment version, provide contact information, and indicate which schedules you are submitting.
- **[Schedule #4A - Debt Description](#)**. Provide a description of the form of debt (bond or lease-purchase), including an identifying designation of the debt (such as series name), date of voter authorization, and expected sale date of the bond issuance or expected date of school board approval of a project lease. This schedule should identify the amendment with the previously designated IFA application document control number.
- **[Schedule #4B - Project Description](#)**. *Required if the original proposed projects have been completed or have otherwise changed.* Use this schedule to verify the calculation of qualified and nonqualified project costs. The percentage that nonqualified costs are of total costs is used in Schedule #4C.

- **[Schedule #4C](#) - Allocation of Debt Service.** Provide a schedule of the revised annual payment amounts reflected in the final official statement's debt service schedule. Indicate eligible and ineligible (if applicable) debt service and the nonqualified costs percentage (if any) to be applied by maturity. NOTE: When submitting a refunding amendment, use the Excel form entitled IFA [Schedule #4C Amendment Form for Partial or Multipurpose Refinancing](#), and select either the first refunding or second or subsequent refunding worksheet tab.
- **[Schedule #4D](#) - Calculation of Weighted Average Maturity.** Submit this schedule with an application amendment after the final sale of the bonds. Amounts provided should reflect the debt service shown in the final official statement. NOTE: This schedule is *not* required when submitting a refunding amendment.
- **[Schedule #4E](#) - Refunding Bond Requirements and Calculations.** Include on this schedule the original debt service for a first refunding, or the most recently approved/revised debt service for a second or subsequent refunding; unrefunded debt service; new/refunding debt service; and a calculation of present value savings. Use the Excel form entitled IFA Schedule #4E Amendment Form for Partial or Multipurpose Refinancing and select either the first refunding or second or subsequent refunding worksheet tab. **Note that eligible refunding bonds must result in a present value savings. As stated on the schedule, if any portion of a maturity is refunded at a present value cost or with an extension of the term, that portion of the debt shall be removed from eligibility.**

## Required Official Documentation

Information summarized in the amendments must correspond to information provided in official documents associated with the IFA-supported debt. TEA will obtain electronic copies of the following documents filed with the state information repository (Municipal Advisory Council of Texas) that pertain to the IFA-supported debt, including any debt that refunds the original IFA debt service:

- **Approval letter** from the Office of the Attorney General if the transaction required such approval
- **Final official statement** (FOS) or, if not available, an electronic copy of the final bond order or other official document describing the relevant financing activity, including a final debt service schedule

## Why Does the TEA Require Amendments?

IFA payments are generated based on data that begins with eligible annual debt service. The applicable statute and commissioner's rules require TEA to verify continued eligibility of an awarded district's debt service. In addition, all funding awards are subject to audit.

## Texas Education Code

See the TEC, Chapter 46, Assistance with Instructional Facilities and Payment of Existing Debt, Subchapter A, Instructional Facilities Allotment, [§46.007, Refunding Bonds](#).

**Sec. 46.007. REFUNDING BONDS.** A school district may use state funds received under this subchapter to pay the principal of and interest on refunding bonds that:

- are issued to refund bonds eligible under [Section 46.003](#);
- do not have a final maturity date later than the final maturity date of the bonds being refunded;
- may not be called for redemption earlier than the earliest call date of the bonds being refunded; and
- result in a present value savings, which is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. The present value savings shall be computed at the true interest cost of the refunding bonds.

## Texas Administrative Code

See 19 TAC Chapter 61, School Districts, Subchapter CC, Commissioner's Rules Concerning School Facilities, [§61.1032, Instructional Facilities Allotment](#).

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