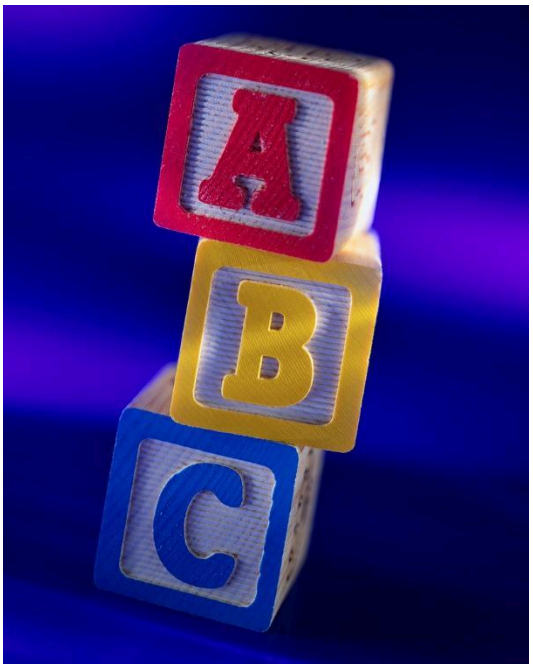
The ABC's of School Business Management



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Lackland ISD

2021

Introduction

This reference guide was compiled as a training tool for new school business officials. It contains excerpts from state law, board policy, and various websites that contain valuable school business management resources.

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Activity Accounts

There are 2 types of Activity Accounts: **Campus Activity Accounts** and **Student Activity Accounts.**

Activity funds historically have been accounted for by school districts in various fund groups: general fund, special revenue funds and agency funds. School districts should consider the following questions to determine the proper method and fund in which activity funds should be accounted:

• Does local board policy allow for recall of excess or unused fund balances into the general fund for general school district use? If so, these activity funds should be accounted for in the *general fund,* and revenues and expenditures should be budgeted.

• Do other persons besides the students involved in the activity fund (teachers, sponsors, principals, administrators, etc.) have access to activity fund money to use in a manner that does not directly benefit the students involved in the activity funds? If so, this money should be accounted for in *Fund 461 - Campus Activity Funds.*

• Do the activity fund financial decisions rest solely with the students? If so, this money should be accounted for in *Fund 865 - Student Activity Account* which serves as an agency account for student club or class funds.

The GASB recently released GASB Statement No. 84, Fiduciary Activities, and subsequently released an Exposure Draft Implementation Guide. It establishes guidelines for identifying fiduciary activities and determining if these activities should be reported in the governmental funds financial statements (C1/C2) as a special revenue fund. The objective of the Statement is to make fiduciary activity reporting more consistent and comparable and assess the accountability of governments in their roles as fiduciaries through improved usefulness of fiduciary activity information. Consequently, districts must record both campus and student activity account transactions in revenue and expenditure account codes.

Two common methods of administering activity fund accounting are:

- Centralized in which funds are controlled and disbursed through the school district's Accounting Department
- Decentralized in which funds are accounted for and controlled at the various school sites.

Some districts have implemented a hybrid approach. For example, the disbursements are decentralized but the cash deposits are centralized, or vice versa.

The District shall adopt a policy governing the expenditure of local funds from vending machines, rentals, gate receipts, or other local sources of revenue over which the District has direct control. (TEC 44.908)

Additional information: CFD Legal and Local Board Policies

Administrative Cost Ratios

SB 900 enacted during the 78th Texas Legislature's Regular Session in 2003 repealed Section 42.201 of the Texas Education Code (TEC) relating to administrative cost ratios. The bill continued the statute only for the limited purpose of recovering amounts from districts that meet the criteria for excess administrative costs for 2002-2003. Historical Information from 1995-2002 will continue to be maintained at this site for reference purposes.

TEA also sets annual rules for the calculation of administrative costs and the "acceptable" administrative cost ratio for school districts based upon their size, sparsity and student population characteristics. The components of administrative cost are defined as operating expenses made from funds other than federal funds associated with managing, planning, directing, coordinating and evaluating a school district. Administrative costs include costs classified in Account Code Functions 21 (Instructional Leadership) and 41 (General Administration) as defined in the Financial Accounting and Reporting module. The administrative cost ratio is calculated by dividing administrative costs by instruction costs, expressed as a percentage. Instruction costs are defined as operating expenses made from funds other than federal funds associated with teacher-student instruction. Instructional costs are costs classified in Account Code Functions 11 (Instruction), 12 (Instructional Resources and Media Services), 13 (Curriculum Development and Instructional Staff Development), and 31 (Guidance, Counseling and Evaluation Services) as defined in the Financial Accounting and Reporting module. Both administrative and instructional costs are discussed in greater detail in the Financial Accounting and Reporting module.

Although the administrative cost ratio is no longer required by state law it remains an indicator in the Financial Integrity Rating System of Texas (FIRST). Additional information related to the indicator in the Schools FIRST is available in TAC 109.1101e at: https://tea.texas.gov/sites/default/files/ch109aa.pdf.

AEDs

Provisions of SB 7, particularly the requirement that, "each school district shall make available at each campus in the district at least one automated external defibrillator, as defined by Section 779.001, Health and Safety Code", TEC §38.017 (a). the provisions of SB 7 become effective September 1, 2007. Refer to Board Policy CKD Legal for more information.

Each school nurse, assistant school nurse, athletic coach or sponsor, physical education instructor, marching band director, cheerleading coach, and any other employee specified by the Commissioner must receive and maintain certification in the use of an AED from the American Heart Association, the American Red Cross, or a similar nationally recognized association. *Education Code 22.902* [Refer to CKD Legal and DMA Legal and/or Local]

A school that purchases or leases an automated external defibrillator, as defined by Health and Safety Code 779.001, shall ensure that the defibrillator meets standards established by the federal Food and Drug Administration. *Education Code 44.047 and Refer to Policy CH Legal.*

Additional informational regarding AEDs and CPR Training is available on TEA's Healthy and Safe School Environment of the Coordinated School Health Model website at: https://tea.texas.gov/texas-schools/health-safety-discipline/coordinated-school-health/healthy-and-safe-school-environment-of-the-coordinated-school-health-model

AEIS – Academic Excellence Indicator System

The Academic Excellence Indicator System (AEIS) pulls together a wide range of information on the performance of students in each school and district in Texas every year. This information is put into the annual AEIS reports, which are available each year in the fall. The performance indicators are:

- Results of Texas Assessment of Knowledge and Skills (TAKS*); by grade, by subject, and by all grades tested;
- Results of State-Developed Alternative Assessment II (SDAA II);
- Participation in the statewide assessment programs (TAKS/SDAA II/TAKS-I/TAKS-Alt);
- Exit-level TAKS Cumulative Passing Rates;
- Progress of Prior Year TAKS Failers;
- Results of Student Success Initiative;
- Results of Texas Assessment of Knowledge and Skills-Inclusive (TAKS-I); by subject;
- Progress of English Language Learners (ELL);
- Performance-Based Monitoring (PBM) Special Education Monitoring Results Status;
- Attendance Rates;
- Annual Dropout Rates (grades 7-8, grades 7-12, and grades 9-12);
- Completion Rates (4-year longitudinal);
- College Readiness Indicators;
    - Completion of Advanced / Dual Enrollment Courses;
    - Completion of the Recommended High School Program or Distinguished Achievement Program;
    - Participation and Performance on Advanced Placement (AP) and International Baccalaureate (IB) Examinations;
    - College-Ready Graduates;
    - Texas Success Initiative (TSI) – Higher Education Readiness Component; and
    - Participation and Performance on the College Admissions Tests (SAT I and ACT).

Performance on each of these indicators is shown disaggregated by ethnicity, sex, special education, low income status, limited English proficient status (since 2002-03), and beginning in 2003-04, at risk status (district only). The reports also provide extensive information on school and district staff, finances, programs and student demographics.
AEIS Reports through 2011-2012 are posted on TEA's website. No STAAR Results (the new state assessment system) are included in the 2012-2012 reports. The reports for multiple years, by state, region, school district, and campus are posted on the weblink below:
https://rptsvr1.tea.texas.gov/perfreport/aeis/index.html

The new performance reports, Texas Academic Performance Reports (TAPR) as of 2012-2013 are available on the TEA website at: http://tea.texas.gov/perfreport/tapr/index.html

American Rescue Plan (ARP) Act

Authorized in the American Rescue Plan Act (ARP), signed into law in March 2021. Period of availability is March 13, 2020 (with pre-award), to September 30, 2024 (with carryover).

Additional resources such as Entitlements, Side-by-Side Requirements Document, Forms, FAQs and so much more is available on the TEA ESSER webpage at: https://tea.texas.gov/finance-and-grants/grants/arp-esser-iii-grant-program

Americans with Disabilities Act (ADA)

The ADA prohibits discrimination on the basis of disability in employment, State and local government, public accommodations, commercial facilities, transportation, and telecommunications. It also applies to the United States Congress. To be protected by the ADA, one must have a disability or have a relationship or association with an individual with a disability.
An individual with a disability is defined by the ADA as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment. The ADA does not specifically name all of the impairments that are covered. The District shall make reasonable modifications in policies, practices, or procedures when the modifications are necessary to avoid discrimination on the basis of disability, unless the District can demonstrate that making the modifications would fundamentally alter the nature of the service, program, or activity. *28 CFR 35.130(b)(7)*

The District shall make available to applicants, participants, beneficiaries, and other interested persons information regarding the provisions of Title II of the Americans with Disabilities Act (ADA) and its applicability to the services, programs, or activities of the District.

Additional information related to the ADA and the District Representative can be found in School Board Policies FB Legal and Local.

Annual Financial Audit (AFR)

Each year, charter schools, education service centers, and school districts must have their annual financial and compliance report audited by an independent auditor. The resulting annual financial and compliance report must then be submitted to TEA for review.

Submission deadlines (within 150 days after the close of a district's fiscal year) are noted below:

If a district's fiscal year ends on	then the AFR is due to TEA on or before
August 31,	January 28.
June 30,	November 27.

Charter schools, education service centers, and school districts are required to submit their annual financial and compliance report in electronic format. The electronic format submission consists of two files: an Adobe (PDF) file and a GASB data text file (the text file is not required from charter schools). In addition, most charter schools and school districts are required to submit their state compensatory education district and campus improvement plans in PDF.

The Electronic Submission requirements can be found at: http://tea.texas.gov/index4.aspx?id=3968

Copies of annual financial audits for multiple fiscal years can be found at: https://tealprod.tea.state.tx.us/Audit/Public/PDFViewer.asp

Annual Notices & Requirements

Districts have many reporting requirements such as the Annual Financial Report, Local Debt Report and Financial Management Report. These reporting requirements are detailed in Board Policy CFA Legal.

Effective with the 2018-2019 fiscal year, districts shall use object code 6491 to record expenditures for legally-required public notices.

Asbestos Management Plans
Annually, the District shall notify in writing parent, teacher, and employee organizations of the availability of the asbestos management plans. *40 CFR 763.93*

Annual Financial Report Publication
Not later than the 150th day after the date the fiscal year ends, the Board President shall submit the annual financial statement to a daily, weekly, or biweekly newspaper published within the boundaries of the District, under Local Government Code 140.006. [See CFA]

Audit Schedule C-2 (Statement of Revenues, Expenditures, and Changes in Fund Balances) is typically the schedule published in a newspaper.

Board Request for Information
A district shall post, in a place convenient to the public, the cost of responding to one or more requests submitted by a board member under Education Code 11.1512(c) if the requests are for 200 or more pages of material in a 90-day period.
By September 1 of each year, a report to TEA regarding the number of requests submitted by a member of the Board, during the preceding school year, for information, documents, and records and the total cost to the District of responding to such requests. [See BBE]

Board requests are submitted with the TSDS/PEIMS Summer Submission. For more information refer to the TSDS Web-Enabled Data Standards at: https://tealprod.tea.state.tx.us/TWEDS/87/0/0/0/Introduction/List/605

FERPA – Family Education Rights and Privacy Act
The District shall give parents of students in attendance and eligible students in attendance annual notification of their rights under the Family Educational Rights and Privacy Act of 1974 and of the places where copies of this policy may be located, including notice of the right to file complaints concerning alleged failures by the District to comply with the provisions of the Act. The District shall effectively notify parents of students who have a primary or home language other than English. *20 U.S.C. 1232g(e); 34 CFR 99.7* **Board Policy FL**

Local Annual Review
Each district receiving federal funds under Title I, Part A shall: Publicize and disseminate the results of the local annual review to parents, teachers, principals, schools, and the community. **Board Policy EHBD**

Schools FIRST
The District is required to prepare and distribute an annual financial management report [Schools FIRST]. The report shall contain information on state-established standards and the District's financial management performance for the current and previous years' financial accountability ratings. **Policy BBFA**

Professional Qualifications of Teachers:
As a condition of receiving assistance under Title I, Part A of the ESSA (20 U.S.C. 6301 *et seq*.), the District shall, at the beginning of each school year, notify the parents of each student attending any school receiving such funds that the parents may request, and the District shall provide the parents on request (and in a timely manner), information regarding the professional qualifications of the student's classroom teachers, including, at a minimum, the following:

1. Whether the teacher has met state qualification and licensing criteria for the grade levels and subject areas in which the teacher provides instruction,
2. Whether the teacher is teaching under emergency or other provisional status through which state qualification or licensing criteria have been waived, and
3. Whether the teacher is in the field of discipline of the certification of the teacher.
4. Whether the child is provided services by paraprofessionals and, if so, their qualifications.

Federally-Required Notice – Lack of Credentials
A school that receives such federal funds shall also provide to each individual parent of a child who is a student in such school, with respect to such student, timely notice that the student has been assigned, or has been taught for four or more consecutive weeks by, a teacher who does not meet applicable state certification or licensure requirements at the grade level and subject area in which the teacher has been assigned. 20 U.S.C. 6312(e)(1)(B)(ii)

State-Required Notice – Lack of Credentials
If a district assigns an inappropriately certified or uncertified teacher (as defined in policy) to the same classroom for more than 30 consecutive instructional days during the same school year, it shall

provide written notice of the assignment to the parents or guardians of each student in that classroom. **Board Policy DBA**

Notice of Budget Meeting
The Board President shall also provide for publication of notice of the budget meeting in a daily, weekly, or biweekly newspaper published in the District. If no daily, weekly, or biweekly newspaper is published in the District, the President shall provide for publication of notice in at least one newspaper of general circulation. The notice shall be published not earlier than the 30th day or later than the 10th day before the date of the hearing. *Education Code 44.004*
Concurrently with the publication of notice of the budget under Education Code 44.004, the District shall post a summary of the proposed budget on the District's Internet. **Board Policy CE**

Police Department Motor Vehicle Stops
Not later than March 1 of each year, the District police department shall submit a report containing information about motor vehicle stops during the previous calendar year to the governing body of each county or municipality served by the department, under Code of Criminal Procedure 2.134. [See CKE]

Purchasing/Bidding Notice
All District contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at $50,000* or more in the aggregate for each 12-month period, shall be made by the method that provides the best value for the District. The District may either purchase those items in accordance with Education Code 44.031(a) and (b) described above or follow the vendor list procedures described below. *Education Code 44.033(a)*

For each 12-month period, the District shall publish a notice in two successive issues of any newspaper of general circulation in the county in which the school is located. If there is no newspaper in the county in which the school is located, the advertising shall be published in a newspaper in the county nearest the county seat of the county in which the school is located, specifying the categories of personal property to be purchased and soliciting the names, addresses,
and telephone numbers of vendors that are interested in supplying any of the categories to the District. *Education Code 44.033(b)* **Board Policy CH**

***Note: A School District may set a lower limit in Board Policy CH Local.**

SAFETY AND SECURITY AUDIT
At least once every three years, the District shall conduct a safety and security audit of the District's facilities and report the results of the safety and security audit to the Texas School Safety Center, under Education Code 37.108. [See CK]

School Bus Accident Reporting
A district shall report annually to TEA the number of accidents in which its buses were involved in the past year in a manner prescribed by the commissioner of education. A district shall file the annual report to TEA only in the period beginning July 1 and ending July 31. [See CNC]

School Bus Advertising Program
By September 1, districts involved in a school bus advertising program shall provide to the Texas Department of Public Safety written notification of the number of school buses operated by or for the

District that display exterior advertising or another paid announcement, under 37 Administrative Code 14.65(a)(1), (b). [See CNC]

School Bus Driver License Checks
The District shall evaluate the driver's license record of each school bus driver at least annually to determine if the driver is still eligible to drive a school bus. *Trans. Code 521.022(d); 37 TAC 14.14*

TAPR
The board shall publish an annual report describing the educational performance of the district and of each campus in the district that includes uniform student performance and descriptive information as determined under rules adopted by the commissioner of education. Education Code 39.306(a). The performance report provided by the Texas Education Agency (TEA) under Education Code 39.306 shall be termed the Texas Academic Performance Report (TAPR). **Board Policy AIB**

ASBO - Association of School Business Officials, International

Since 1910, ASBO International has provided programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources. ASBO is the parent organization of TASBO.

https://asbointl.org/

Asbestos

Asbestos is a naturally occurring mineral fiber, once widely used in building materials for its thermal insulating properties and fire resistance. Although the removal of asbestos from school buildings is an option for schools, many schools and local education agencies have chosen to manage some asbestos-containing building material in place.

Intact, undisturbed asbestos-containing materials generally do not pose a health risk. These materials may become hazardous and pose increased risk if they are damaged, are disturbed in some manner, or deteriorate over time and thus release asbestos fibers into building air.

The Asbestos Hazard Emergency Response Act (AHERA), a provision of the Toxic Substances Control Act, was passed by Congress in 1986. AHERA requires local educational agencies to inspect their schools for asbestos-containing building material and prepare management plans that make recommendations for the reduction of asbestos hazards.

The rules implementing AHERA are published in the Code of Federal Regulations, Chapter 40, Part 763, Subpart E. The AHERA rules require local education agencies to take actions, including the following:

- Perform an original inspection and re-inspection every three years of asbestos-containing material;
- Develop, maintain, and update an asbestos management plan and keep a copy at the school;

- Provide yearly notification to parent, teacher, and employee organizations regarding the availability of the school's asbestos management plan and any asbestos abatement actions taken or planned in the school;
- Designate a contact person to ensure the responsibilities of the local education agency are properly implemented;
- Perform periodic surveillance of known or suspected asbestos-containing building material (at least every 6 months);
- Ensure that properly-accredited professionals perform inspections and response actions and prepare management plans; and
- Provide custodial staff with asbestos-awareness training.

Under the Asbestos Hazard Emergency Response Act (AHERA), the District shall identify asbestos-containing materials and implement an appropriate management plan in a timely manner. *40 CFR 763.80.*

Additional information: School Board Policy CKA Legal
U.S. EPA Website
http://www2.epa.gov/asbestos/asbestos-laws-and-regulations

AskTED

AskTED is the online Texas Education Directory. School districts may access AskTED through the School Directory link in the upper-right corner of most TEA Web pages to change email addresses, phone numbers, superintendent, board members, and other administrative staff. TEA employees, school districts, and the general public use AskTED to find contact information and create mailing labels for Texas public schools, districts and education service centers.

The district's designated person should update the AskTED Directory on an on-going basis as changes occur in district and campus level administrators and coordinators. Changes to AskTED are entered through the TEAL system at:
https://tealprod.tea.state.tx.us/TSP/TEASecurePortal/Access/LogonServlet

Additional information:

http://tea4avholly.tea.state.tx.us/tea.askted.web/Forms/Home.aspx

Assets - Capital

Capital assets are defined by each local school district. State and federal guidelines define a capital asset as a single item with a value greater than $5,000. Equipment with a single unit cost of less than $5000 is tracked for inventory and insurance purposes. A school district's capitalization policy is typically documented in Board Policy CFB Local.

There are four (4) major categories of capital assets: land, buildings, equipment and vehicles. All capital assets are reported at cost or estimated historical cost on the Annual Financial Report. The Annual Financial Report also includes the total accumulated depreciation of all capital assets.

The 900 Fund Group is utilized on the financial ledger to track capital assets. Object codes in the 6600 group and typically used to purchase capital assets.

Attendance Accounting

The *Student Attendance Accounting Handbook (Handbook)* provides districts with the Foundation School Program (FSP) eligibility requirements of all students and the minimum requirements of all student attendance accounting systems.

Attendance and contact hours will be reported on the student level for the entire school year through the TSDS Summer Submission. The TEA then uses these attendance data to determine the allocation of Foundation School Program (FSP) funds (state funding) to your district.

The Student Attendance Accounting Handbook (handbook) contains the official attendance accounting rules and regulations for all public school districts in Texas, including open-enrollment charter schools, unless otherwise specified in this document. This handbook is the official standard of required information for all attendance accounting systems. Unless a distinction is made between manual and automated systems, all standards described in this handbook apply to all attendance accounting systems.

District personnel must create the original documentation of attendance at the time of attendance. Original documentation must not be created after the fact. Original documentation that is not created at the time of attendance will not be accepted by agency auditors. **If auditors determine that original documentation was not created at the time of the attendance it is intended to support, the TEA will retain 100% of your district's FSP allotment for the inappropriately documented attendance for the school year(s) for which records have been requested.** The TEA will either assess an adjustment to subsequent allocations of state funds or require your district to refund the total amount of the adjustment when the audit is finalized.

With attendance accounting records, it is the district's ultimate responsibility to secure records for the required length of time (five years).

TEA requires every school district to develop and implement attendance accounting procedures.

Additional Information: TEA Attendance Accounting Handbook
https://tea.texas.gov/finance-and-grants/financial-compliance/student-attendance-accounting-handbook

Attendance Projections

The Attendance Projections Subsystem is found in the Foundation School Program (FSP) under the Texas Education Agency Login (TEAL) system. The module opens in October of each even-numbered year and closes near mid-December that same year. Initial projection(s) are provided by the agency for each district by program or instructional setting based on a previous five-year average count. School districts may provide a revised projection in each program or instructional area based on their estimated counts for the coming biennium.

TEA's School Finance Topics – One Page Description document for Attendance Projections is hyperlinked below:
https://tea.texas.gov/sites/default/files/attendance-projections-one-pager.pdf

Attorney General Opinions

An Attorney General Opinion is a written interpretation of existing law. The Attorney General writes opinions as part of his responsibility to act as legal counsel for the State of Texas. Opinions are written only at the request of certain state officials, called "authorized requestors." The Texas Government Code indicates to whom the Attorney General may provide a legal opinion. He may not write legal opinions for private individuals or for any officials other than those specified by statute. Attorney General Opinions clarify the meaning of existing laws. They do not address matters of fact, and they are neither legislative nor judicial in nature. That is to say, they cannot create new provisions in the law or correct unintended, undesirable effects of the law. Opinions interpret legal issues that are ambiguous, obscure, or otherwise unclear. Attorney General Opinions do not reflect the AG's opinion in the ordinary sense of expressing his personal views. Nor does he in any way "rule" on what the law should say.
Unless or until an opinion is modified or overruled by statute, judicial decision, or subsequent Attorney General Opinion, an Attorney General Opinion is presumed to correctly state the law. Accordingly, although an Attorney General Opinion is advisory, it carries the weight and force of law unless or until it is modified or overruled. Ultimate determination of a law's applicability, meaning or constitutionality is left to the courts. For this reason, the Attorney General generally does not write opinions on issues that are in pending litigation.
Additional Information: https://www.texasattorneygeneral.gov/opinion/requests-for-opinion-rqs
Cumulative Subject Master Index of AG Opinions 1990-Present:
https://www.texasattorneygeneral.gov/opin/opinions_headings.php
To enroll in Email Updates for Opinions Requested and Opinions Issued register at:
https://public.govdelivery.com/accounts/TXAG/subscriber/new?

Available School Fund (ASF) Payments

ASF payments are based on a district's or charter school's prior year average daily attendance (ADA). The payment rate per ADA (the distribution rate) is adopted each year by the State Board of Education. ASF payments are referred to as "per capita" payments. The following table shows the payment rates for the last several years.

TEA's School Finance Topics – One Page Description document for Available School Fund (ASF) is hyperlinked below: https://tea.texas.gov/sites/default/files/available_school_funds_asf_payments.pdf

Average Daily Attendance (ADA)

The number of students in average daily attendance, which is found by dividing the sum of the attendance accounts for all the instructional days in a school year by the number of instructional days.

The District shall maintain records to reflect the average daily attendance (ADA), as required by the Commissioner. The Superintendent, principals, and teachers shall be responsible to the Board and the state to maintain accurate, current attendance records. *19 TAC 129.21(a)*

TEA's School Finance Topics – One Page Description document for Average Daily Attendance (ADA) and Weighted ADA (WADA) is hyperlinked below:
https://tea.texas.gov/sites/default/files/ada-and-wada-one-pager.pdf

Auditing

The following rules generally apply to all Texas independent school districts:
• *Government Auditing Standards* represents generally accepted government auditing standards *required* for all school district audits.
• A financial audit is required annually for each school district and is to be made on an organization-wide basis, including all fund types and account groups that are the accounting responsibility of the school district.
• Certain audit procedures must be performed on fiscal data reported through the Public Education Information Management System (PEIMS) and/or Texas Student Data System (TSDS).
• Audit costs are paid from local school district funds.
• The audit shall be a financial audit (as distinguished from a performance audit), as defined in GAS and in the introduction section of this module. The financial statement audit is performed to determine: (a) whether the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions of the school district in accordance with generally accepted accounting principles; and (b) whether the school district has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. A single audit must be performed in all instances when a school district expends $750,000 or more from federal awards.
• The scope of the audit is to be sufficient to document and support the minimum audit reporting requirements published in the Financial Accounting and Reporting module of the FASRG.
• If the auditor's compliance report and/or the auditor's report on internal controls disclose areas of noncompliance with laws, rules, or regulations; questioned amounts; or material weaknesses, the school district must file comments on any such findings and recommendations with the Financial Compliance Division at TEA. This filing should include a plan for corrective action (taken or planned) and comments on the status of corrective action taken on prior findings, or reasons that corrective action is not necessary. This information may be either included in the required annual audit report or in a separate letter that accompanies the required annual audit report.
• Prior to the audit engagement, the school district's board of trustees must require all auditors or audit organizations proposing to perform the required annual financial audit to provide a written proposal or an engagement letter.
• Additionally, an agreed-upon procedures report may be required of some school districts and charter schools for the purpose of reporting on compliance regarding State Compensatory Education. This report is paid for by the school district. This report is due at TEA within 150 days after notification by TEA of the requirement. Additional information about this special report is found in Module 6 of the FASRG.
Other Requirements:

- Electronically submit Annual Financial Report & Management Letter to TEA within 150 days of the fiscal year end (TAC 109.23)
- Beginning with the 2012 fiscal year, TEA requires all school districts and charter schools to submit their annual financial and compliance report in electronic format only.

The electronic format for submission is available at:
https://tea.texas.gov/finance-and-grants/financial-compliance/electronic-submissions
Additional information is available on the TEA Annual Financial Report webpage:
https://tea.texas.gov/finance-and-grants/financial-compliance/annual-financial-and-compliance-report
and the FASRG Module Module 4 Auditing at:
https://tea.texas.gov/sites/default/files/FASRG_Module4_V17_Proposed.pdf

Banking

Depository Bid
In accordance with the Texas Education Code (TEC), Section 45.205, each school district's depository contract must be renewed every two years. The district must choose to select a depository either by bid or by request for proposals.
The bid and proposal forms are available on the TEA website noted below. A Summary of School District Depository Contract Laws and Procedures is also available on the website.
A school district may extend a depository contract for three (3) additional two-year terms; therefore, the original contract may be in effect for a total of eight (8) years.
School districts are no longer required to submit its Depository Contract for Funds of Independent School Districts and its Texas Surety Bond form, if applicable, to TEA. However, all remaining depository contract rules are still in effect and if a school district makes changes to its direct deposit account, the district still must electronically submit a Direct Deposit Authorization form to TEA.
For additional information:
http://tea.texas.gov/Finance_and_Grants/Financial_Compliance/Depository_Contracts_for_School_Districts/

Board of Trustees

An independent school district is governed by a board of trustees who, as a body corporate, shall oversee the management of the district. The board consists of the number of members that the district had on September 1, 1995.

All powers and duties not specifically delegated by statute to TEA or the State Board are reserved for the Board. *Education Code 11.151(b)*

The Powers and Duties of the Board of Trustees are detailed in School Board Policy BAA (Legal).

Bonds

The governing board of an independent school district, including the city council or commission that has jurisdiction over a municipally controlled independent school district, the governing board of a rural high school district, and the commissioners court of a county, on behalf of each common school district under its jurisdiction, may:

(1) issue bonds for:

(A) the construction, acquisition, and equipment of school buildings in the district;

(B) the acquisition of property or the refinancing of property financed under a contract entered under Subchapter A, Chapter 271, Local Government Code, regardless of

whether payment obligations under the contract are due in the current year or a future year;

(C) the purchase of the necessary sites for school buildings; and

(D) the purchase of new school buses; and

(2) may levy, pledge, assess, and collect annual ad valorem taxes sufficient to pay the principal of and interest on the bonds as the principal and interest become due, subject to Section 45.003.

The district's Bond Schedule is part of the Annual Financial Report.

Bond Guarantee Program (BGP)

On November 8, 1983, Article 7, Section 9(b), of the Texas Constitution, which provides for the guarantee of school district bonds by the Permanent School Fund (PSF), was approved by Texas voters. In 2011, the Legislature added charter schools to the program via Senate Bill 1 (SB 1). The Bond Guarantee Program (BGP) allows for bonds that are properly issued by a school district or a charter school to be fully guaranteed by the corpus of the PSF with the approval of the commissioner of education. The guarantee has received "AAA" ratings from the major bond rating services and replaces the need for private bond insurance.

To participate in the BGP, districts must apply to the Texas Education Agency (TEA) and be approved by the commissioner. The TEA reviews each application according to both statutory requirements and State Board of Education (SBOE) rules. This review includes confirming that the application is complete and accurate and that the district is financially sound. The TEA also reviews the district's School FIRST or Charter FIRST rating, its annual financial audit report, its accreditation status, its intervention status, its accountability rating, and the complaints database that is maintained by the agency. Charter districts must have a preliminary investment grade credit rating to be considered for the guarantee.

Additional information is available at TEA's School Finance Topics: Permanent School Funds One-Pager

Bond Rating

A measure of the quality and safety of a bond, based on the issuer's financial condition. More specifically, a bond rating is an evaluation from a rating service indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Typically, AAA is highest (best), and D is lowest (worst).

Although the Bond Review Board (BRB) does not play a part in the approval of local government debt issuance, one of the agency's goals is to ensure that public officials have access to current information regarding debt issuance, finance, and debt management. The agency is mandated by statute (Chapter 1231.062, Texas Government Code) to submit a report to the legislature that contains statistical information concerning the bonds and other debt obligations issued by local governments (cities, community & junior colleges, counties, health & hospital districts, independent school districts, water districts and other special districts).

Additional information: Texas Bond Review Board
http://www.brb.state.tx.us/state_debt.aspx

Budgeting

The budgeting process is comprised of three major phases: planning, preparation and evaluation. Sections 44.002 through 44.006 of the *Texas Education Code* establish the legal basis for budget development in school districts.

The following six items summarize the legal requirements from the code:

• The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.

Note: TEA recommends that an *interactive* approach between the board of trustees and the superintendent be taken to establish the budget process and define related roles and responsibilities.

• The district budget must be prepared by a date set by the state board of education, currently August 20 (June 19 if the district uses a July 1 fiscal year start date).

• The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. The notice shall be published not earlier than the 30th day or later than the tenth (10^{th}) day before the date of the hearing. Education Code 44.004(b).

• No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.

• The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.

• The budget must be legally adopted before the adoption of the tax rate.

Additional information: School Board Policy CE Legal and Local

Bus Accident Reporting System (BARS)

The Texas Education Agency's Bus Accident Reporting System (BARS) uses an annual survey to collect information on accidents involving school buses operated or contracted for use by school districts and charter schools, as required by statute and rule. The survey is open for reporting from approximately July 1 through approximately August 31 each year.

In responding to the survey, local education agencies are required to provide the following information for each accident:

- Type of bus involved
- Number of students/adults involved in the accident
- Number and types of injuries that were sustained by bus passengers

- Whether injured passengers were wearing seat belts at the time of the accident and, if so, the type

For Additional Information:
https://tea.texas.gov/finance-and-grants/state-funding/state-funding-reports-and-data/bus-accident-reporting-system

Buy Board (TASB)

The Local Government Purchasing Cooperative was created to increase the purchasing power of government entities and to simplify their purchasing by using a customized electronic purchasing system, called the BuyBoard.
Membership is open to school districts, cities, counties, and other entities.
For more information: https://www.buyboard.com/home.aspx

CAFR (Comprehensive Annual Financial Report)

The *Comprehensive Annual Financial Report* (CAFR) which includes all funds and account groups of the reporting entity. The CAFR presents the basic financial statements with accompanying RSI, combining and individual fund financial statements, schedules and statistical tables. The CAFR is divided into three sections: introductory, financial and statistical. Texas school districts are not required to prepare a CAFR; however, there are between 40 and 50 school districts that are preparing a CAFR.

A proposed name of the Comprehensive Annual Report is pending as April 2021 to the Annual Comprehensive Financial Report (ACFR).

Campus Improvement Plans (CIP)

The Board shall ensure that a District improvement plan and improvement plans for each campus are developed, reviewed, and revised annually for the purpose of improving the performance of all students. The Board shall annually approve District and campus performance objectives and shall ensure that the District and campus plans:

1. Are mutually supportive to accomplish the identified objectives; and
2. At a minimum, support the state goals and objectives under Education Code Chapter 4.

Education Code 11.251(a)

Each school year, the principal of each school campus, with the assistance of the campus-level committee, shall develop, review, and revise the campus improvement plan for the purpose of improving student performance for all student populations. School Board Policy BQB Legal provides additional guidance related to the structure of the committee and the responsibilities of the committee.

Charter schools and school districts are also required to submit a district and at least two campus improvement plans if their state compensatory education allotment was more than a certain amount for the previous fiscal year. The improvement plans are to be submitted not later than the 150th day after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2.

Additional information: BQ Legal & BQB Legal

Cardiopulmonary Resuscitation (CPR)

Staff Training:
A District employee who serves as head director of a school marching band, head coach, or chief sponsor of an extracurricular athletic activity (including cheerleading) that is sponsored or sanctioned by the District or UIL must maintain and submit to the District proof of current certification in first aid and cardiopulmonary resuscitation issued by the American Red Cross, the American Heart Association, or another organization that provides equivalent training and certification. The District shall adopt procedures for administering this requirement, including procedures for the time and manner in which proof of current certification must be submit-ted. *Education Code 33.086 [Board Policy DBA Legal]*

Student Training:
For all students who entered grade 7 in the 2010–11 school year and thereafter, the District shall provide instruction to students in grades 7–12 in cardiopulmonary resuscitation (CPR). The instruction may be provided as a part of any course. A student shall receive the instruction at least once before graduation from high school.

CPR instruction must include training that has been developed by the American Heart Association or the American Red Cross or using nationally recognized, evidence-based guidelines for emergency cardiovascular care and incorporating psychomotor skills to support the instruction.

Students who complete the required instruction in cardiopulmonary resuscitation (CPR) as specified in 19 Administrative Code 74.38 in grade 9, 10, 11, or 12 shall have completion of the CPR instruction clearly indicated on the academic achievement record (transcript). [Policy EI Legal]

Additional information: EHAC Legal
Texas Administrative Code: 74.38

Career Ladder (Phased out in 1993, Grandfather provisions)

A teacher or librarian who received a career ladder supplement on August 31, 1993, is entitled to at least the same gross monthly salary the teacher or librarian received for the 1994–95 school year as long as the teacher or librarian is employed by the same district. “Gross monthly salary” includes the amount the teacher or librarian received as a career ladder supplement under Section 16.057, as that section existed January 1, 1993. *Education Code 21.402(f), 21.403(d) [Board Policy DEA Legal]*

In addition, a teacher or librarian who was on level two or three of the career ladder is entitled, as long as he or she is employed by the same district, to:

1. Placement on the minimum salary schedule at the step above the step on which the teacher would otherwise be placed, if the teacher or librarian received a career ladder supplement for level two of the career ladder on August 31, 1993; or
2. Placement on the minimum salary schedule at the step two steps above the step on which the teacher would otherwise be placed, if the teacher or librarian received a career ladder supplement for level three of the career ladder on August 31, 1993.

Cash Flow

A cash flow schedule is useful in forecasting daily, monthly and annual cash needs.

Additional information: Cash flow template – ESC 13

http://www5.esc13.net/finance/

Cell Phones

Cell phones provided by the school district to an employee were subject to federal taxes if the employee used the phone for personal use through 2011. On September 14, 2011, the Internal Revenue Service issued Notice 2011-72, addressing the tax treatment of employer-provided cell phones. It states that when an employer provides an employee with a cell phone primarily for non-compensatory business reasons, the business and personal use of the cell phone is generally nontaxable to the employee.

A cell phone statement for a district employee may be subject to disclosure under the Public Information Act if the district pays the phone bill directly to the provider, or if the district provides a monetary payment (allowance) to the employee for their personal cell phone (Reference: Attorney General Opinion – OR2002-6813).

State and federal grant funds may not be used to pay for personal cell phones or stipends for cell phones. Cell phone contracts, if any, must be in the name of the organization and not in the name of the employee. Grantees must have a written policy in place to inform employees that organization-issued cell phones may not be used for personal purposes. [2 CFR Part 200]

CDC (Center for Disease Control)

The CDC developed resources to support school districts in the reopening phase after the initial closing of schools due to the COVID-19 pandemic. The resources were in the area of social distancing guidelines and cleaning/disinfecting schools.

CDC guidance is available at: Operational Strategy for K-12 Schools through Phased Prevention | CDC

Chapter 41 (Now, Local Excess Revenue)

Chapter 41, Education Code, was repealed. House Bill 3 amended the Education Code to transfer certain sections from Chapter 41 to Chapter 49, and revised formulas used to determine excess local revenue under the FSP by adding Subchapter F, Chapter 48, Education Code, Section 48.257, Local Revenue in Excess of Entitlement. This section of the Texas Education Code (TEC) makes provisions

for certain school districts to share their local tax revenue with other school districts. These provisions are sometimes referred to as "share the wealth" or "Robin Hood" plan because recaptured funds are redistributed by the school finance system to assist with the financing of public education for all school districts.

Additional information: TEA Local Excess Revenue:
https://tea.texas.gov/finance-and-grants/state-funding/excess-local-revenue

Child Nutrition

The Texas Department of Agriculture's Food and Nutrition Division administers 12 federal child and special nutrition programs for the State of Texas. The National School Lunch Program (NSLP) is a federally assisted meal program that provides lunches to more than 3 million Texas children in school and residential child care institutions. Lunches must meet federal nutrition guidelines, and are reimbursable to schools based on number of meals served.

The School Breakfast Program (SBP) reimburses the approved meals contracting entities serve to more than 1.5 million qualifying Texan children daily. The SBP also encourages the consumption of domestically produced agricultural commodities and foods. SBP participants include children who are enrolled in the public schools or private nonprofit schools, or who live in public or private nonprofit residential child care institutions.

Texas state law requires that a school must participate in the School Breakfast Program if at least 10 percent of their students are eligible to receive free or reduced-price meals.

Texas Education Code, Section 33.901 as amended by *Senate Bill 376* (83rd Texas Legislative Session) requires that contracting entities (CEs) with 80 percent or more free or reduced-price meals participation in the National School Lunch Program (NSLP) provide breakfast at no charge for all children.

NSLP: http://www.squaremeals.org/Programs/NationalSchoolLunchProgram.aspx
SBP: https://squaremeals.org/Programs/SchoolBreakfastProgram.aspx

A Reimbursement claim must be filed for each month through the TX-UNPS system within 60 days after the end of the month. The reimbursement rates for lunch, breakfast, and snacks (usually change on an annual basis).

****NEW****"Declare or Decline COVID-19 Meal Service Waiver Options Form" must be submitted by ALL CEs even if they are not using any of the listed waivers. **Deadline:** All CEs must complete and submit this form as soon as possible by no later than August 1, 2021

TDA issued a new mandatory "Declare or Decline COVID-19 Meal Service Waiver Options Form" to indicate Contracting Entity (CE) usage in Summer 2021 and School Year 2021-2022 for the following waivers:

- Non-congregate feeding (for example, grab and go meal service)
- Alternative meal times
- No Child Present, Parent Pick-up
- Offsite Monitoring
- Waiver of Requirement to Implement Offer vs Serve in Senior High Schools (available in SY 2021-2022 for NSLP, SSO, and SBP programs.)

Also, if districts previously submitted an intake forms for SY 2020-2021, and the district is currently using one or more of the above waivers, **all CEs operating in Summer 2021 and SY 2021-2022 must complete and submit this new form.** This includes CEs that do not plan to operate under any waivers moving forward.

To access the waiver forms and the instructions, visit this page.
Additional information regarding the claim process may be found at:
http://www.texasagriculture.gov/Home/TXUNPS.aspx

Code of Federal Regulations (CFR)

The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. Each volume of the CFR is updated once each calendar year and is issued on a quarterly basis.
http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR

Concussions

The board of a district with students enrolled who participate in an interscholastic athletic activity shall appoint or approve a concussion oversight team. *Education Code 38.153(a)*

The composition and role of the concussion oversight team is described in School Board Policy FM Legal and TEC 38.153-38.159.

Staff Training:
At least once every two years, the following employees shall take a training course from an authorized provider in the subject matter of concussions: 1) coach of a UIL activity, and 2) athletic trainer and health care professional who serve as a member of a district's concussion oversight team. TEC 38.158

Additional resources: Board Policy DMA Legal.

Conflict of Interest

General Disclosure
An employee shall disclose to his or her immediate supervisor a personal financial interest, a business interest, or any other obligation or relationship that in any way creates a potential conflict of interest with the proper discharge of assigned duties and responsibilities or with the best interest of the District.

Specific Disclosures
The Superintendent shall file an affidavit with the Board President disclosing a substantial interest, as defined by Local Government Code 171.002, in any business or real property that the Superintendent or any of his or her relatives in the first degree may have.

School Board Members shall provide to the District in a timely manner information necessary for the District's Annual Financial Management Report (part of the Schools FIRST Report). School Board Policy BBFA Legal and Local.

Each employee, Board member, or agent of the District who is engaged in the selection, award, or administration of a contract supported by a federal grant or award and has a potential conflict of interest as defined at 2 C.F.R. 200.318 shall disclose to the District in writing any conflict that meets the disclosure threshold in Chapter 176 of the Local Government Code.

Local Government Officer Conflict Disclosure Statement (CIS):
This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.

Conflict of Interest Questionnaire (CIQ):
A vendor to the District shall file any required conflict of interest questionnaire if the person has a business relationship with the District and:

1. Has an employment or other business relationship with an officer of the District, or a family member of the officer, described by Local Government Code 176.003(a)(2)(A); or
2. Has given an officer of the District, or a family member of the officer, one or more gifts with the aggregate value specified by Local Government Code 176.003(a)(2)(B), excluding any gift described by Local Government Code 176.003(a-1).

The records administrator for each district shall maintain a list of local government officers of the entity and shall make that list available to the public and any person who may be required to file a conflict of interest questionnaire. *Local Gov't Code 176.007* [See BBFA]

A district that maintains an Internet Web site shall provide access on the District's Internet Web site to the conflicts disclosure statements and questionnaires required to be filed with the records administrator. *Local Gov't Code 176.009*

Additional information and forms at: Conflict of Interest Forms (state.tx.us) and Board Policy DBD Legal and Local.

Contracts

The District may execute an insurance contract for a period longer than 12 months, if the contract contains either or both of the provisions described at COMMITMENT OF CURRENT REVENUE, below. If the District executes a multiyear insurance contract, it need not advertise for insurance vendors until the 12-month period during which the District will be executing a new insurance contract. *Atty. Gen. Op. DM-418 (1996)*

All District contracts, except contracts for the purchase of produce or vehicle fuel, valued at $50,000 [A lower threshold may be applicable in a school district's Board Policy CH Local] or more in the aggregate for each 12-month period, shall be made by the method that provides the best value for the District:

1. Competitive bidding.
2. Competitive sealed proposals.
3. A request for proposals for services other than construction services.
4. An interlocal contract.

5. The reverse auction procedure as defined by Government Code 2155.062(d).
6. The formation of a political subdivision corporation under Local Government Code 304.001. *Education Code 44.031(a)*

The purchasing requirements of Education Code 44.031 do not apply to a contract for professional services rendered, including the services of an architect, attorney, or fiscal agent.
The District may contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Government Code 2254.003, in lieu of the methods provided by Education Code 44.031.

A district may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company that it does not boycott Israel and will not during the term of the contract. The requirement above applies only to a contract that: 1. Is between a district and a company with ten or more full-time employees; and 2. Has a value of $100,000 or more that is to be paid wholly or partly from public funds of the district. Gov't Code 2271.002

If the contract will be funded with federal grant funds, the EDGAR Appendix II Part 200 Contract Provisions for Non-Federal Entity Contracts Under Federal Awards provisions must be included in the contract. In addition, the contract must include the provisions included in TEA's Guidance and Best Practices.

Additional guidance related to different contracts is available in Board Policy CH Legal.

Copper Pennies

Copper pennies are any pennies of tax effort a district assesses above its MCR plus eight cents. These pennies are called copper because they generate a lower level of enrichment funding than golden pennies. Enrichment at this level requires voter approval.

For additional information related to copper pennies refer to the TEA Texas Public School Finance Overview, 2020 at: https://tea.texas.gov/sites/default/files/texas-public-school-finance-overview.pdf

Copyright Law

Copyright protection subsists, in accordance with United States Copyright Law, 17 U.S.C. 101–1332, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or other-wise communicated, either directly or with the aid of a machine or device.

An exception to the exclusive rights enjoyed by copyright owners is the doctrine of fair use. The fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by 17 U.S.C. 106, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. The following factors shall be considered in determining fair use:

1. The purpose and character of the use, including whether the use is of a commercial nature or for nonprofit educational purposes.

2. The nature of the copyrighted work.
3. The amount and importance of the portion used in relation to the copyrighted work as a whole.
4. The effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. 107

Additional information related to Trademarks and Patents is available in **Board Policy CY.**

Coronavirus (COVID-19)

COVID-19 I a novel coronavirus, or new coronavirus that has not been previously identified. The virus causing coronavirus disease 2019 (COVID-19), is not the same as the coronaviruses that commonly circulate among humans and cause mild illness, like the common cold.

The CDC website contains numerous resources related to the virus, common symptoms, testing, prevention, and numerous other related topics.

More information is available on the CDC website at:
https://www.cdc.gov/coronavirus/2019-ncov/communication/index.html

Coronavirus Aid, Relief, and Economic Security Act (CARES)

The CARES Act federal legislation signed into law in March 2020 provided federal stimulus funding ($2.0 trillion) in response to the COVID-19 pandemic. Multiple fund sources for K-12 education are included in the CARES Act. There are four (4) that may impact school districts.

1. ESSER – Elementary and Secondary School Emergency Relief Fund
2. CCDBG – Child Care Development Block Grant
3. CRF – Coronavirus Relief Fund
4. SERV – School Emergency Response to Violence

In addition, school district may be eligible for COVID-19 related expenditures through FEMA (Federal Emergency Management Agency).

ESSER Fund awards to SEAs are in the same proportion as each State received funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, in fiscal year 2019.

Additional resources such as Entitlements, Side-by-Side Requirements Document, Forms, FAQs and so much more is available on the TEA ESSER webpage at:
https://tea.texas.gov/finance-and-grants/grants/esser-i-grant-program.

Coronavirus Response & Relief Supplemental Appropriations (CRRSA)

Authorized in the **Coronavirus Response and Relief Supplemental Appropriations (CRRSA)**, signed into law in December 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2023 (with carryover).

Additional resources such as Entitlements, Side-by-Side Requirements Document, Forms, FAQs and so much more is available on the TEA ESSER webpage at: https://tea.texas.gov/finance-and-grants/grants/crrsa-esser-ii-grant-program.

CPR & First Aid Certification

A District employee who serves as head director of a school marching band, head coach, or chief sponsor of an extracurricular athletic activity (including cheerleading) that is sponsored or sanctioned by the District or UIL must maintain and submit to the District proof of current certification in first aid and cardiopulmonary resuscitation issued by the American Red Cross, the American Heart Association, or another organization that provides equivalent training and certification. The District shall adopt procedures for administering this requirement, including procedures for the time and manner in which proof of current certification must be submitted.
Education Code 33.086

Refer to Cardiopulmonary Resuscitation (CPR) Section

Creditable Years Experience

The District shall pay each classroom teacher, full-time librarian, full-time counselor, or full-time nurse not less than the minimum monthly salary, based on the employee's level of experience, specified in Education Code 21.402 and 19 TAC 153.1021.

- "Classroom teacher" means an educator who teaches an average of at least four hours per day in an academic or career and technology instructional setting, focusing on the delivery of the Texas Essential Knowledge and Skills, and who holds the relevant certificate from SBEC. Although non-instructional duties do not qualify as teaching, necessary functions related to the educator's instructional assignment, such as instructional planning and transition between instructional periods, should be applied to creditable classroom time.
- "Librarian" means an educator who provides full-time library services and holds the relevant certificate from SBEC.
- "Counselor" means an educator who provides full-time counseling and guidance services and holds the relevant certificate from SBEC.
- "Nurse" means an educator employed to provide full-time nursing and health care services and who meets all the requirements to practice as a registered nurse (RN) pursuant to the Nursing Practice Act and the rules and regulations relating to professional nurse education, licensure, and practice and has been issued a license to practice professional nursing in Texas.

"Full-time" means contracted employment for at least ten months (187 days) for 100 percent of the school day, in accordance with the definitions of school day in Education Code 25.082, employment contract in Education Code 21.002, and school year in Education Code 25.0 1.*19 TAC 153.1022(a)* The Commissioner's rules determine the experience for which a teacher, librarian, counselor, or nurse is to be given credit in placing the teacher, librarian, counselor, or nurse on the minimum salary schedule. The District shall credit the teacher, librarian, counselor, or nurse for each year of experience, whether or not the years are consecutive. *Education Code 21.402(a), 21.403(c); 19 TAC 153.1022*

Additional guidance related to other experience and positions such as substitutes and certified teacher aides is available at: Commissioner's Rules for Creditable Years of Experience: Chapter 153 (texas.gov).

Cybersecurity

Under HB 3834, school districts are required to provide an annual cybersecurity training program which has been certified by the Texas Department of Information Resources (DIR) to all employees who have access to a computer or database. Verification of completion of the cybersecurity training program shall be reported to the DIR on an annual basis.
In addition, SB 820, which adds Section 11.175 to the Texas Education Code (TEC), contains four major components for compliance:

- each school district shall adopt a cybersecurity policy to secure the district infrastructure against cyber-attacks, determine cybersecurity risk and implement mitigation planning;
- each superintendent shall designate a cybersecurity coordinator as a liaison between the district and TEA on cybersecurity matters;
- the district's cybersecurity coordinator shall report to TEA any cyber-attack or incident against the district's infrastructure which constitutes a breach of security as defined in the statute; and
- the district's cybersecurity coordinator shall provide notice to a parent of an enrolled student in the district of the cyber-attack which required a report to be submitted to TEA.

Board Policy CQB Legal

Deferred Revenue

Deferred revenue refers to an item that will initially be recorded as a liability, but is expected to become an asset over time and/or through the normal operations of the business. Deferred revenue is sometimes called unearned revenue because it is typically for the subsequent fiscal year. All funds received at the end of the fiscal year (6/30 or 8/31) that have not been earned, are posted to a liability account (2310), until the funds are earned at which time they are posted to a revenue account (5XXX).

District Improvement Plan (DIP)

The District shall have a District Improvement Plan that is developed, evaluated, and revised annually, in accordance with District policy, by the Superintendent with the assistance of the

District-level committee. The purpose of the District improvement plan is to guide District and campus staff in the improvement of student performance for all student groups in order to attain state standards in respect to the academic excellence indicators.

Charter schools and school districts are also required to submit a district and at least two campus improvement plans if their state compensatory education allotment was more than a certain amount for the previous fiscal year. The improvement plans are to be submitted not later than the 150th day after the last day permissible to send data for the PEIMS data FINAL Midyear resubmission 2.

Additional information: BQ Legal

District Planning Estimate (DPE)

This column is updated periodically throughout the fiscal year as data are reported to TEA. This column is intended to provide school districts with a more accurate indication of their actual FSP earnings for the fiscal year. At the close of the fiscal year, the DPE column will be updated to reflect actual data and final earnings for the fiscal year will be determined. There will be a "settle-up" process to correct any over- or under-payments that occurred during the fiscal year.

The TEA School Finance Topic for the Settle-Up Process is available at: https://tea.texas.gov/sites/default/files/settle-up-one-pager.pdf

District Reporting Schedule (Calendar of Due Dates)

The charts below provide information about district reporting and data submission schedules. TEA publishes this helpful schedule with district reporting requirements on an annual basis. The list includes the report, TEA division and contact information, Due Date and other information.

https://tea.texas.gov/reports-and-data/school-performance/accountability-research/district-reporting-schedule

Do Not Hire Registry

The 86th Texas Legislature passed House Bill 3 to further protect the safety and welfare of Texas students by:

- Requiring schools to report to TEA when there is evidence that a non-certified employee abused or was involved in an inappropriate relationship with a student or minor and,
- Creating a registry of individuals who are not eligible for hire in a Texas public school based on misconduct or criminal history.

The Do Not Hire Registry, officially known as the Registry of Persons Not Eligible for Employment in Public Schools, is now available to the public. Therefore, the public may search the Registry website by entering a first and last name of an individual to determine their employment eligibility. The website will also list non-certified individuals who are under investigation.

Additional information is available on the TEA website at:
https://tea.texas.gov/texas-educators/investigations/do-not-hire-registry

Donations

All bequests of property for the benefit of the public schools shall, when not otherwise directed by the grantor, vest the property in the Board. Funds or other property donated, or the income therefrom, may be expended:

1. For any purpose designated by the donor that is in keeping with the lawful purposes of the schools that are to benefit from the donation; or
2. For any legal purpose if the donor designated no specific purpose. *Education Code 11.156*

All gifts or bequests shall be included among the total receipts of the District which are reported in the annual financial statement. *Local Gov't Code 140.005*
School Board Policy CDC

Drug Free Statement

A board shall prohibit the use of alcoholic beverages at school-related or school-sanctioned activities on or off school property. Education Code 38.007(a)

A district that receives a federal grant must agree to provide a drug-free workplace by complying with the requirements of *41 U.S.C. 702(a)(1); 49 CFR pt. 32. Board Policy DH Legal*

D-U-N-S (Data Universal Numbering System)

A Dun & Bradstreet DUNS is a unique nine-digit number used to track all businesses. To request or look-up a DUNS, refer to the website noted below.

https://www.dnb.com/duns-number.html

E-Rate Funding Information

E-Rate is the common name for the Schools and Libraries Universal Service Support Mechanism. E-Rate provides discounts to assist schools and libraries to obtain affordable telecommunication services and Internet access. The Universal Service Administrative Company (USAC) administers the program at the direction of the Federal Communications Commission (FCC). USAC's Schools and Libraries Division (SLD) administers the program.

This program provides discounts ranging from 20 to 90 percent on telecommunications services, internet access, internal connections, and basic maintenance of internal connections to eligible schools and libraries.

To receive E-rate discounts, schools and libraries must competitively bid all eligible services on the USAC E-rate Productivity Center (EPC) website at and, after a minimum of 28 days, select the most cost-effective proposal. Schools and libraries then apply for E-rate discounts. If approved, schools and libraries receive discounts through direct discounted bills or the reimbursement process.

Additional information at TEA's E-Rate Weblink: https://tea.texas.gov/academics/learning-support-and-programs/technology-planning/e-rate and at the USAC website: https://www.usac.org/e-rate/

EDGAR (Education Department General Administrative Regulations) & Grants Management

The regulations from the Office of Management and Budget (OMB), codified as Title 2 of the Code of Federal Regulations (2 CFR) Part 200, were incorporated into general federal regulation on Dec. 26, 2014. The new regulations govern all federal grants awarded by the US Department of Education (USDE) to the state or to an LEA on or after that date. Grants awarded before Dec. 26, 2014, will continue to be governed by the OMB circulars that were in effect when the grant was awarded.

TEA has numerous resources available on the EDGAR Materials and Resources webpage such as the following:

- 2 CFR Part 200, Subpart E—Cost Principles
- Budgeting Costs Guidance Handbook
- Prior Approval, Disclosure, and Justification Forms Under EDGAR
- EDGAR FAQ (Version 6, 06/01/2017)

Other guidance handbooks are available on the Trainings and Other Resources webpage at: https://tea.texas.gov/finance-and-grants/grants/training-and-other-resources.

To comply with EDGAR, every district should have *written* policies and procedures regarding the management of federal grant funds. At a minimum, according to TEA, each district must have policies and procedures in the following areas:

Policies	Procedures
Local capitalization	Cash Management: Payments
Conflict of Interest	Allowability of Costs
Mandatory Disclosure	Equipment Management
Conflict of Interest: Procurement (Gratuities)	Procurement
Compensation & Benefits	Self-certifying Procurement Procedures
Improving working conditions (employee welfare)	Centralized service costs
Travel: Allowable, rates, participation, etc.	Professional Service Contracts
Accounting	Accounting
	Compensation: Fringe allocated to federal awards

TASBO has a Word Template available (in conjunction with training) that school districts can purchase and use to customize their own EDGAR Administrative Procedures Manual (Federal Grants Manual).

As part of the required 5-year review of EDGAR, changes were made that are in effect either August 2020 or November 12, 2020. A TEA Grant Division presentation that outlines the changes is available at: UGG/EDGAR Revisions - YouTube. The slide deck for this presentation is available at: How to Use This Template (govdelivery.com)

EEO-5 Survey Report

The Elementary-Secondary Staff Information Report (EEO-5), or EEO-5 Report, is a mandatory biennial data collection that requires all public elementary and secondary school districts/systems with 100 or more employees to submit demographic workforce data, including data by race/ethnicity, sex and activity assignment classification. The filing by eligible school systems or districts is required under section 709(c) of the Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e-8(c), 29 CFR 1602.39 and .41-.45.

After delaying the opening of the 2020 EEO-5 Data Collection on May 8, 2020 in light of the COVID-19 public health emergency, the 2020 EEO-5 Data Collection will open on Tuesday, July 27, 2021. The deadline for submitting 2020 EEO-5 data will be **Monday, October 4, 2021**. A notification letter with additional instructions on how to file will be sent via U.S. mail to school systems/districts in mid-July. Filers should begin preparing to submit data in anticipation of the July 27, 2021 opening.

Additional information: https://www.eeoc.gov/employers/2020-eeo-5-data-collection

Elementary and Secondary School Emergency Relief Fund (ESSER)

ESSER grant funding is authorized in three pieces of legislation. As a result, the ESSER programs are administered by TEA as separate grant programs. An ESSER side-by-side is under development.

The ESSER I, CRRSA ESSER II, and ARP ESSER III grant programs run concurrently. During the overlap in periods of availability, grantees may expend funds from any of the grant programs.

ESSER I Grant Program

Authorized in Title VIII, Division B, of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law in March 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2022 (with carryover).

ESSER II Grant Program

Authorized in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), signed into law in December 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2023 (with carryover).

ESSER III Grant Program

Authorized in the American Rescue Plan Act (ARP), signed into law in March 2021. Period of availability is March 13, 2020 (with pre-award), to September 30, 2024 (with carryover).

A USDE ESSER Fund Comparison Chart (for ESSER I, II and III) is available at the USDE weblink (refer to pages 4 through 7):
https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf.

Additional resources such as Entitlements, Side-by-Side Requirements Document, Forms, FAQs and so much more is available on the TEA ESSER webpage at:
https://tea.texas.gov/finance-and-grants/grants/elementary-and-secondary-school-emergency-relief-esser-grant-programs.

Emergency Operations Plan

TEC, §37.108, requires LEAs to adopt and implement a multi-hazard emergency operations plan for use in the LEA's facilities. The plan must address prevention, mitigation, preparedness, response, and recovery as defined by the Texas School Safety Center in conjunction with TEA and other entities as applicable.

The plan must also provide for strategies that ensure professional development training for suicide prevention and grief-informed and trauma-informed care is provided to appropriate school personnel; that provisions are made in alignment with best-practice based programs and research-based practices recommended under TEC, §38.351, formerly Section 161.325 of the Health and Safety Code; and address other provisions to align related policies, procedures, and strategies into the plan.
Refer to: Board Policy CKC Legal and Local

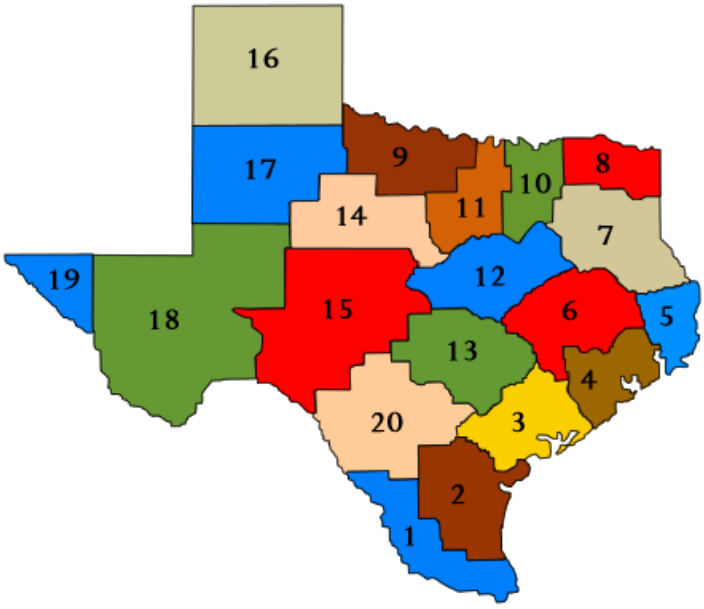
Energy Management

The Board shall establish a long-range energy plan to reduce the District's annual electric consumption by five percent beginning with the 2008 state fiscal year and consume electricity in subsequent fiscal years in accordance with the District's energy plan. The plan must include the strategies as noted in TEC 44.902 and School Board Policy CL Legal.

The District shall record in an electronic repository the District's metered amount of electricity, water, or natural gas consumed for which it is responsible to pay and the aggregate costs for those utility services. The District shall report the recorded information on a publicly accessible Internet Web site with an interface de-signed for ease of navigation if available, or at another publicly accessible location. *Gov't Code 2265.001*

ESCs – Education Service Centers

Twenty (20) regional education service agencies within Texas assist school districts in improving student performance and increasing the efficiency and effectiveness of school operations. We are a non-regulatory agency; our relationship with school districts is collaborative and supportive.



Link to all ESCs:
https://tea.texas.gov/regional_services/esc/

Every Student Succeeds Act (ESSA)

The Every Student Succeeds Act (ESSA) was signed by President Obama on December 10, 2015, and represents good news for our nation's schools. This bipartisan measure reauthorizes the 50-year-old Elementary and Secondary Education Act (ESEA), the nation's national education law and longstanding commitment to equal opportunity for all students.
ESSA includes provisions that will help to ensure success for students and schools. Below are just a few. The law:

- Advances equity by upholding critical protections for America's disadvantaged and high-need students.
- Requires—for the first time—that all students in America be taught to high academic standards that will prepare them to succeed in college and careers.
- Ensures that vital information is provided to educators, families, students, and communities through annual statewide assessments that measure students' progress toward those high standards.
- Helps to support and grow local innovations—including evidence-based and place-based interventions developed by local leaders and educators—consistent with our Investing in Innovation and Promise Neighborhoods
- Sustains and expands this administration's historic investments in increasing access to high-quality preschool.
- Maintains an expectation that there will be accountability and action to effect positive change in our lowest-performing schools, where groups of students are not making progress, and where graduation rates are low over extended periods of time.

Multiple programs, listed below, fall under ESSA:

- Title I, Part A
- Title I, Part C
- Title I, Part D
- Title II, Part A
- Title III, Part A ELA
- Title V, Part A

Additional information related to ESSA is available at the USDE website at: Every Student Succeeds Act (ESSA) | U.S. Department of Education and at the TEA website at: Every Student Succeeds Act | Texas Education Agency

Existing Debt Allotment - EDA

In 1999, the 76th Legislature added Subchapter B to TEC Chapter 46 to create the Existing Debt Allotment (EDA). The EDA operates without applications and has no award cycles, and provides tax rate equalization for local debt service taxes. By providing a guaranteed yield on interest and sinking fund (I&S) taxes levied by school districts to pay the principal of and interest on eligible bonds, the EDA guarantees a specific amount of state and local funds per student for each cent of tax effort up to $0.29 per $100 of assessed valuation.

House Bill 21 (85th Legislature, First Called Session) amended the TEC, §46.032 by increasing the EDA guaranteed yield from $35 to the lesser of $40 per student in average daily attendance (ADA) per penny of I&S taxes levied by school districts to pay the principal of and interest on eligible bonds, or an amount that would result in a $60 million increase in state aid from the previous yield of $35. The yield for the 2019 -2020 school year is estimated to be approximately $38.58.

House Bill 3, 86th Legislature, revised the definition of taxable value of property from preceding to current year values. This change may impact the level of state aid a district receives under the EDA program, based on the funding methodology described above.

Additional Information is available at TEA's School Finance Topic: Existing Debt Allotment at: https://tea.texas.gov/sites/default/files/existing-debt-allotment-eda-one-pager.pdf

Facility Standards

All new facilities and major space renovations approved by the Board after January 1, 2004, shall meet the facility standards established by the Commissioner as set out in Texas Administrative Code Title 19, Chapter 61.1036. Other renovations associated with repair or replacement of architectural interior or exterior finishes, fixtures, equipment, and electrical, plumbing, and mechanical systems are not subject to space or educational adequacy requirements, but must meet construction quality standards. *Education Code 46.008; 19 TAC 61.1036*

TAC – Commissioners Rules Concerning School Facilities

All plans and specifications for construction or for the substantial renovation, modification, or alteration of a building or facility that has an estimated construction cost of $50,000 or more shall be

submitted to the Department of Licensing and Regulation for review and approval. The District as owner of the building or facility may not allow an application to be filed with a local governmental entity for a building construction permit related to the plans and specifications or allow construction, renovation, modification, or alteration of the building or facility to begin before the date the plans and specifications are submitted to the Department by the architect, interior designer, landscape architect, or engineer.

Fair Labor Standards Act (FLSA)

The Fair Labor Standards Act (FLSA) , which prescribes standards for the basic minimum wage and overtime pay, affects most private and public employment. It requires employers to pay covered employees who are not otherwise exempt at least the federal minimum wage and overtime pay of one-and-one-half-times the regular rate of pay. For nonagricultural operations, it restricts the hours that children under age 16 can work and forbids the employment of children under age 18 in certain jobs deemed too dangerous. For agricultural operations, it prohibits the employment of children under age 16 during school hours and in certain jobs deemed too dangerous. The Act is administered by the Employment Standards Administration's Wage and Hour Division within the U.S. Department of Labor.

The four major provisions of the FLSA:

Minimum Wage
Overtime
Child Labor
Recordkeeping

Additional information such Fact Sheets, Forms, Posters, etc. are available on the DOL webpage at: https://www.dol.gov/agencies/whd/flsa

Families First Coronavirus Response Act (FFCRA)

The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor's (Department) Wage and Hour Division (WHD) administers and enforces the new law's paid leave requirements. These provisions will apply from the effective date (April 1, 2020) through December 31, 2020.

There are two types of leave under the FFCRA:

1. Emergency Paid Sick Leave (EPSL) – up to 80 hours of full or partial paid leave based on the reason for the leave
2. Paid Expanded Family and Medical Leave (PEFMLA) – up to 10 weeks of partial paid leave when an employee is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

Additional information related to the new federal leaves is available on the Department of Labor website at: https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave

Family and Medical Leave Act (FMLA)

Covered employers must grant an eligible employee up to a total of 12 workweeks of unpaid leave during any 12-month period for one or more of the following reasons:

- for the birth and care of the newborn child of the employee;
- for placement with the employee of a son or daughter for adoption or foster care;
- to care for an immediate family member (spouse, child, or parent) with a serious health condition; **or**
- to take medical leave when the employee is unable to work because of a serious health condition.

A final rule effective on January 16, 2009, updates the FMLA regulations to implement new military family leave entitlements enacted under the National Defense Authorization Act for FY 2008.

Additional information such as Fact Sheets, Forms and Posters are available at the DOL webpage at: https://www.dol.gov/agencies/whd/fmla

Family Education Rights & Privacy Act – (FERPA)

The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.

FERPA gives parents certain rights with respect to their children's education records. These rights transfer to the student when he or she reaches the age of 18 or attends a school beyond the high school level. Students to whom the rights have transferred are "eligible students." The District shall give parents of students in attendance and eligible students in attendance annual notification of their rights under the Family Educational Rights and Privacy Act of 1974 and of the places where copies of this policy may be located, including notice of the right to file complaints concerning alleged failures by the District to comply with the provisions of the Act. The District shall effectively notify parents of students who have a primary or home language other than English. *20 U.S.C. 1232g(e); 34 CFR 99.7*

Additional information: School Board Policy GRAC Legal, FL Legal

Felony Conviction Notice & Criminal Background Checks - Vendors

Before entering into a contract with the District, a person or business must give notice to the District if the person or an owner or operator of the business has been convicted of a felony. The District may terminate a contract with a person or business if the District determines that the person or business failed to give such notice or misrepresented the conduct resulting in the conviction. The District must compensate the person for services performed before the contract terminated. *Education Code 44.034*

A person who, on or after January 1, 2008, is offered employment by an entity that contracts with the District must submit to a national criminal history record information review if:

1. The employee or applicant has or will have continuing duties related to the contracted services; and
2. The employee or applicant has or will have direct contact with students.

The person must submit to the review before being employed or serving in a capacity described above. An entity contracting with the District shall obtain all criminal history record information that relates to a person described above through the criminal history clearinghouse as provided by Government Code 411.0845. The entity shall certify to the District that the entity has received all criminal history record information relating to the person.

The District may obtain the criminal history record information of a person to whom this section applies through the criminal history clearinghouse as provided by Government Code 411.0845. *Education Code 22.0834(a)-(e). Board Policy DBAA Legal*

Federal Emergency Management Agency (FEMA)

FEMA's Public Assistance Program provides supplemental grants to state, tribal, territorial, and local governments, and certain types of private non-profits so that communities can quickly respond to and recover from major disasters or emergencies. FEMA also encourages protection of these damaged facilities from future events by providing assistance for hazard mitigation measures during the recovery process. More detailed information can also be located in the *FEMA Public Assistance Program and Policy Guide*.

On March 13, 2020, the President issued a nationwide emergency declaration for Coronavirus Disease 2019 (COVID-19). The FEMA designation for this is DR-4485. This opens up funding through FEMA's Public Assistance (PA) program for reimbursement for emergency protective measures. FEMA has simplified the process to support eligible entities.

FEMA has launched a website that lists the eligible expenses for this disaster. The costs to deliver online classes for school districts, charter schools, and colleges are not eligible. The FEMA website can be accessed at:
https://www.fema.gov/news-release/2020/03/19/coronavirus-covid-19-pandemic-eligible-emergency-protective-measures

Financial Accountability System Resource Guide (FASRG)

The *Financial Accountability System Resource Guide* (*FASRG*) describes the rules of financial accounting for school districts, charter schools, and education service centers. The *FASRG* is adopted by 19 Texas Administrative Code §109.41. Version 17 of the FASRG contains six (6) modules as noted and hyperlinked below:

Module 1 Financial Accounting and Reporting (FAR) (PDF, 2,518 KB) and FAR Appendices (PDF, 7,241 KB)
Module 2 Special Supplement - Charter Schools (PDF, 1,556 KB)
Module 3 Special Supplement - Nonprofit Charter School Chart of Accounts (PDF, 3,398 KB)
Module 4 Auditing (PDF, 2,376 KB)

Module 5 Purchasing (PDF, 1,401 KB)
Module 6 State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System (PDF, 917 KB)

Financial Mandates on School Districts

TASB's Report on School District Mandates: Cost Drivers in Public Education (December 2018) is available at: https://www.tasb.org/legislative/documents/2018-report-on-school-district-mandates.pdf/

Financial Solvency Review

The purpose of the financial solvency review is to anticipate future financial solvency of Texas public school districts and open-enrollment charter schools. The review is designed to alert school districts and open-enrollment charter schools to circumstances that could lead to financial insolvency. *TEC 39.0822*

Financial solvency review data.

(1) In its financial solvency review, the Texas Education Agency (TEA) will use the following data, which are available to the TEA through existing data sources:
(A) annual financial audits for the past two school years;
(B) PEIMS financial actual data for the past two school years;
(C) PEIMS financial budget data for the current year and the past two school years;
(D) PEIMS staff data for the current year and the past two school years;
(E) PEIMS student data for the current year and the past two school years; and
(F) school district tax rate data.
(2) In its financial solvency review, the TEA will use the following additional information, which the TEA will request from school districts and open-enrollment charter schools:
(A) first-quarter school district and open-enrollment charter school financial data for the current school year; and
(B) school district and open-enrollment charter school comments.

TEC 39.0822 was repealed.

Fire drills

Local fire codes and state fire safety rules require monthly fire exit drills in all schools (public and private), grades K thru 12. All students, teachers and staff are required to participate in the monthly fire exit drills. Fire exit drills should be conducted at different times during the day and on varying days each month.

Campus administrators must conduct regular fire drills. Along with fire drills, public, private, and parochial school administrators are encouraged to teach fire safety skills to students (see "Fire safety for Texans" school curriculum). Mandatory fire drill rules and definitions for schools are in the Texas Administrative Code. [TDI State Fire Marshall]

If the local authority has not adopted a fire code, the school must follow these requirements:

- A full fire evacuation drill must be conducted during each of the following time periods:
- Within 10 school days after the start of the new school year.
- Between November and the start of winter break.
- Within 10 school days after returning from winter break.
- Between spring break and the end of the school year.

All full fire evacuation drills and classroom exercises must be logged on a form created by the school district.

- Completed forms must be accessible at the school for three years.
- The forms must be made available to the fire marshal upon request.
- Copies do not need to be submitted to the State Fire Marshal's Office.

As a result of the passage of Senate Bill 11 during the 86th Texas Legislative Session, TEC Chapter 37.114: Emergency Evacuations; Mandatory School Drills was added. This new section addresses mandatory school drills for public school districts and open-enrollment charters. Drill requirements are noted below:

Drill	Frequency
Secure (Lockout)	1 per school year
Lockdown	2 per school year *(one per semester)*
Evacuate	1 per school year
Shelter-in-Place *(for hazmat)*	1 per school year
Shelter for Severe Weather	1 per school year
Fire Evacuation*	4 per school year *(two per semester)*

Additional information at the TDI webpage at: https://www.tdi.texas.gov/fire/fmschl.html and the Texas School Safety Center at: https://txssc.txstate.edu/tools/tde-toolkit/drill-requirements

Fiscal Year (FY)

School districts or charter schools may choose a fiscal year that begins on either July 1 or Sept. 1 of each year. A school fiscal year that begins July 1 will end on June 30 of the next calendar year. In lieu of making the change, districts or charter schools may continue the current fiscal year reporting period that begins on Sept. 1 and ends on Aug. 31 of the next calendar year.

If a school decides to change their fiscal year start date a Notification of Intent to Change the Fiscal Year Start Date form must be filed with the Texas Education Agency. The form should be filed no later than June 30, one year before the new fiscal year start date. In addition to the form, an approved copy of the School Board Minutes approving this change must be included. If the school district or charter school submits a form and then decides not to change or decides to change back to a Sept. 1 start date, a new form must be submitted.

Additional information can be found in the Financial Accounting and Reporting (FAR) §1.1.5 in the *Financial Accountability System Resource Guide* and in the Texas Education Code (TEC) §44.0011.

School Board Policy CE Legal and Local provide additional information regarding the fiscal year and the budget process.

Additional information at:
https://tea.texas.gov/Finance_and_Grants/Financial_Compliance/Fiscal_Year_Start_Date/

Fraud

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other District assets, including employee time.
4. Impropriety in the handling of money or reporting of District financial transactions.
5. Profiteering as a result of insider knowledge of District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy. [See DBD]
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failure to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by law or District policy.
12. Any other dishonest act regarding the finances of the District.

The Superintendent or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the District.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

Additional information: School Board Policy CAA Local

Formula Transition Grant (New with HB3 in 2019)

HB 3 created a formula transition grant in Section 48.277, Education Code, for districts that would receive less than 103 percent of their total maintenance and operations tax revenue per student in ADA than in the 2019–2020 school year in even numbered years or the greater of the 2019–2020 or 2020–2021 school years in odd numbered years.

The grant is limited to the lesser of the difference of 103 percent of current entitlement to a district's revenue under current law for the applicable school year, or 128 percent of the statewide average

revenue per student in ADA. The grant is part of Other Programs on the SOF report and will appear on the Other Programs Detail Report with its own detail report (once that report is made available). *TEC 48.277*

Additional information is available in TAC 61.1011.

FSP (Foundation School Program) Allotments

Funding for Texas public schools comes from three main sources: local school district property taxes, state funds, and federal funds. Most funding comes from local property taxes, which are collected by school districts, and state funding. This document explains state and local funding of Texas public schools as it is administered through the state's Foundation School Program (FSP).

The FSP has two main components, **operations funding** and **facilities funding**. Each component is tied to the tax efforts of school districts. The operations funding component of the FSP assists school districts in financing their maintenance and operations (M&O) through the following two formulas (Tier One and Tier Two). The facilities funding component of the FSP provides school districts (excluding open-enrollment charter schools) with assistance for debt service related to funding school facilities through the following two programs (Instructional Facilities Allotment and Existing Debt Allotment.

Additional information about the FSP is available on the TEA webpage: Foundation School Program | Texas Education Agency and the School Finance Topic One-Page at: Foundation School Program (texas.gov).

FTE (Full-Time Equivalent)

Full-Time Equivalent measures the extent to which one individual or student occupies a full-time position or provides instruction, e.g., a person who works four hours a day or a student that attends a half of a day represents a .5 FTE.

The Staff FTEs are reported through the PEIMS Fall Submission. The teacher FTEs must be representative of the students served as evidenced by the campus master schedule.

The PEIMS Edit+ report titled, *Staff Data Review* provides a summary level report of the staff FTEs for each campus and for the district. Staff FTEs by Population Served Code are also included in the report.

Fund Balance

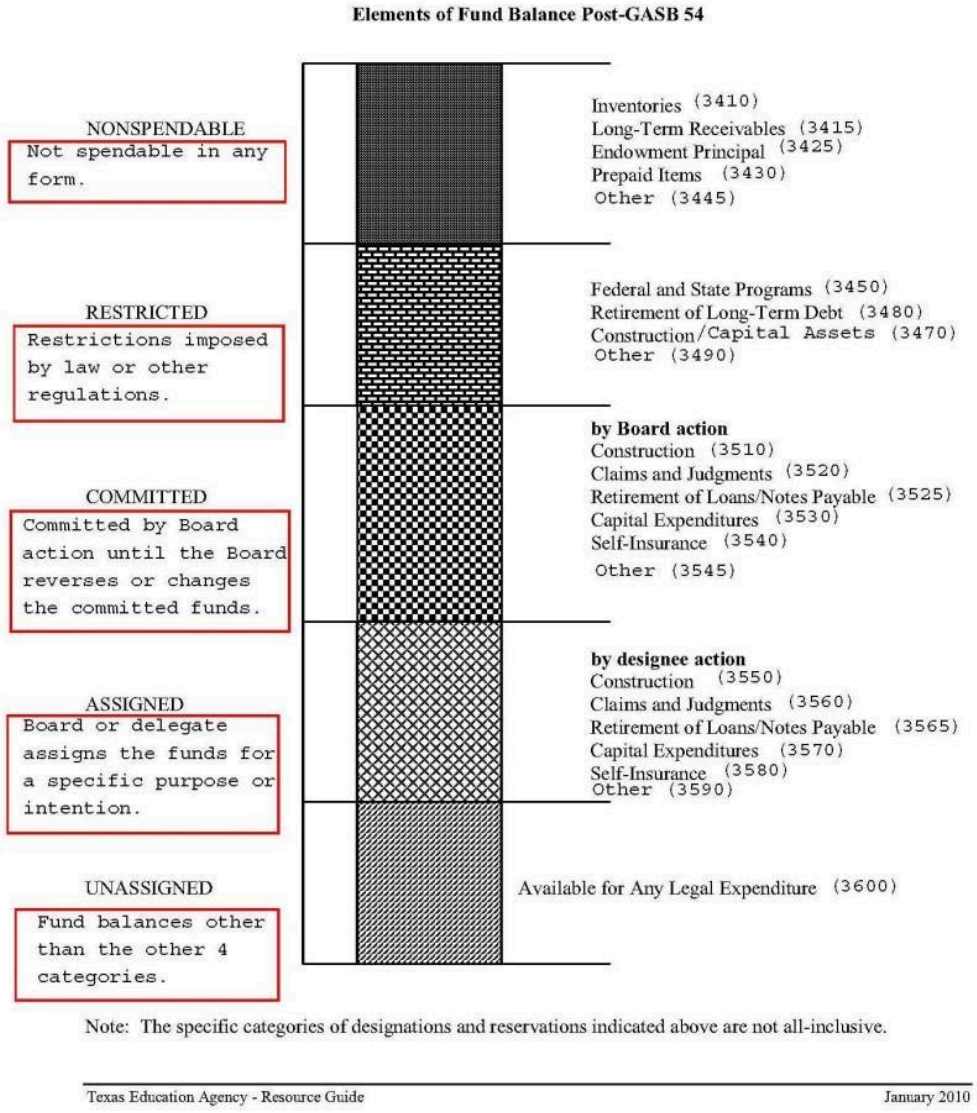
The difference between assets and liabilities reported in a governmental fund. An Optimum Fund Balance schedule is an optional schedule in the Annual Financial Report.

In accordance with GASB 54, a school district shall report governmental fund balances per GASB 54 definitions and limited examples in the balance sheet as follows:

- Non-spendable – inventories, prepaid items, property acquired for resale and long-term amount of loans and notes receivable
- Restricted – construction, federal and state programs, retirement of long-term debt, and fund balance of consolidated school districts
- Committed – construction, self-insurance, capital expenditures, retirement of notes and loans payables
- Assigned – construction, self-insurance, capital expenditures, retirement of notes and loans payable, and claims and judgements
- Unassigned – what remains after amounts have been allocated or assigned to the other four classifications.

Refer to FASRG 1.2.10.5 Governmental Fund Financial Statements for additional guidance. Excerpt from the FASRG, FAR Module is illustrated below:

1.2.9.2 Post-GASB 54 (Fiscal years ending in 2011 and later)



The Board of Trustees shall approve all commitments by formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.

The Board may delegate authority to assign funds balances. The authority should be granted through approval of a resolution.

Gas Line Testing

At least every two years, before the beginning of the school year and in strict compliance with the time frames established by Railroad Commission rule, the District shall pressure test the natural

gas piping system in each District facility. The testing may be performed on a two-year cycle under which the District pressure tests the natural gas piping system in approximately one-half of the facilities each year. If the District operates one or more District facilities on a year-round calendar, the pressure test in each of those facilities shall be conducted and reported not later than July 1 of the year in which the pressure test is performed. *Utilities Code 121.502; 16 TAC 8.230(c)(4)*

The pressure test shall determine whether the natural gas piping downstream of a District facility meter holds at least normal operating pressure over a specified period determined by the Railroad Commission. During the pressure test, each system supply inlet and outlet in the facility must be closed. The pressure test shall be performed by a person qualified in accordance with the testing procedures established by Railroad Commission rules. At the District's request, the Railroad Commission shall assist the District in developing a procedure for conducting the test. *Utilities Code 121.503; 16 TAC 8.230(c)(2), (3)*

The District shall provide written notice to the District's natural gas supplier specifying the date and result of each pressure test or other inspection. The supplier shall develop procedures for receiving such written notice from the District. *Utilities Code 121.504(a); 16 TAC 8.230(c)(1)*
At least biennially, the District shall perform pressure tests for leakage on the LP-gas piping system in each District facility before the beginning of the school year. The District may perform the pressure tests on a two-year cycle under which the tests are performed for the LP-gas piping systems of approximately half of the facilities each year. If the District operates one or more District facilities on a year-round calendar, the pressure test in each of those facilities must be conducted and reported not later than July 1 of the year in which the test is performed. A test performed under a municipal code satisfies the pressure testing requirements.
Natural Resources Code 113.352; 16 TAC 9.41

GASB 34

In June 1999, GASB introduced the new financial reporting model in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments ("GASB 34"). The Statement integrates the traditional focus of government fund financial statements, relating to fiscal accountability and the modified accrual basis of accounting, with new forms of reporting to meet users' needs for longer-term financial information, and to ensure that the operational accountability objective of governments is fulfilled.

The main components of GASB Statement No. 34 are:

Management's Discussion & Analysis (MD&A) as Required Supplementary Information (RSI)

Basic Financial Statements
Government-Wide Financial Statements
Fund Financial Statements
Notes to Financial Statements

Required Supplementary Information other than MD&A

Golden Pennies

Golden pennies are the first **eight pennies** of tax effort a district assesses above its MCR. These pennies are called golden because they are the pennies of tax effort for which a district can generate the highest level of enrichment funding.

Most school districts can access four of the eight pennies at the discretion of the local school board. Because of restrictions in the Texas Tax Code, access to the fifth golden penny requires unanimous board vote beginning with tax year 2020. The remaining three golden pennies require voter approval.

For additional information related to copper pennies refer to the TEA Texas Public School Finance Overview, 2020 at: https://tea.texas.gov/sites/default/files/texas-public-school-finance-overview.pdf

Grants & Federal Fiscal Compliance

The Office for Grants and Federal Fiscal Compliance is responsible for managing all discretionary and formula grants, ensuring the agency's compliance with the fiscal requirements of federal grants, and conducting monitoring and grant reviews of federal grant subrecipients. The functions of each of its three divisions are described in more detail below.

Division of Grants Administration

This division provides centralized administration of all formula and discretionary state-appropriated funds and federal grant funds awarded to TEA. As authorized by state and federal law, the division is responsible for administering all grant funds awarded to subrecipients in support of programs and initiatives to improve student performance and the high school graduation rate.

For more information, please visit the TEA Grant Compliance and Administration website.

Federal Fiscal Compliance and Reporting Division: Oversees activities of federal grant programs to ensure they are compliant with fiscal requirements and ensures that the agency is compliant with federal reporting requirements.

Federal Fiscal Monitoring Division: Monitors the expenditures of federal grant subrecipients to ensure federal funds are used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of federal awards.

Federal Program Compliance Division: Provides state administration and implementation of ESSA programs (Title I, Parts A and D); Migrant; Title II, Part A; Title IV, Part A; Titles V, VI, and VII; and ESSA PNP services).

Grants Administration Division Provides centralized administration of all formula and discretionary state-appropriated funds and federal grant funds awarded to TEA; administers all grant funds awarded to subrecipients.

Grant expenditures reporting:

Grantees in good standing must use the expenditure reporting (ER) system to record expenditures and request payment. TEA encourages you to draw down funds regularly through the ER system to avoid creating the impression that you are not implementing your approved grant program.

The ER system lists your Notices of Grant Award (NOGAs) by school year and supplies the following information about each NOGA:

- Amount of remaining funding
- Payments currently pending
- Payment history
- Date TEA issued a payment
- Due dates for expenditure reports, including final report and revised final report due dates

Any staff member who submits or approves expenditure reports must have a TEA Login (TEAL) username and password. To maintain system security, users should not share usernames or passwords.
Expenditure Reporting Guidance is available at the TEA website as noted below:

- Expenditure Reporting Information
- Expenditure Reporting System Quick Reference Guide
- Payment Requests Requiring Manual Approval
- TEA Payment Report Instructions

Grant Management Resources (TEA website):
There are numerous grant management resources posted on the TEA Website. The following are among the resources:

- General and Fiscal Guidelines (Applicable to grants published on or after July 1, 2021)
- General Provisions and Assurances (Grants after January 2021)
- Budgeting Costs Guidance Handbook
- Procurement Handbook
- Supplement, Not Supplant Handbook
- Federal Time and Effort Reporting Guidance Handbook for LEAs
- Travel Guidelines and Current Reimbursement Rates
- Substitute System of Time-and-Effort Reporting

Other resources are available at the TEA Training and Resources webpage at: Training and Other Resources | Texas Education Agency.

Guaranteed Yield

Tier Two of the FSP guarantees a specific level of funding per student in weighted average daily attendance, or WADA, (to be discussed later) for each penny of tax effort above a school district's maximum Tier One tax rate (also referred to as the state maximum compressed tax rate, or MCR). The funding provided by this additional tax effort is also referred to as enrichment.

Health Advisory Council

The Board shall establish a local school health advisory council to assist the District in ensuring that local community values and health issues are reflected in the District's health education instruction. The Board shall appoint members to the council, a majority of which must be parents of students enrolled in the District and who are not employed by the District. The Board may also appoint one or more public school teachers, public school administrators, District students, health-care professionals, members of the business community, law enforcement representatives, senior citizens, clergy, representatives of nonprofit health organizations, or representatives of another group. [See EHAA]

Highly Qualified Teachers (NCLB – Phased Out)

Section 1119 of the No Child Left Behind Act (NCLB) focused on improving teacher quality at the local level. To achieve this goal, the act requires all teachers teaching core subject academic areas to meet specific competency and educational requirements. Teachers who met these requirements were considered "Highly Qualified."

Note. ESSA does not include the NCLB Highly Qualified Teacher provisions.

High School Allotment

The High School Allotment (HSA) was created by the Texas Legislature in 2006 to:

- prepare underachieving students to enter institutions of higher education
- encourage students to pursue advanced academic opportunities
- provide opportunities for students to take academically rigorous courses
- align secondary and postsecondary curriculum and expectations
- support other promising high school completion and success initiatives in Grades 6-12 approved by the commissioner of education

Note. 100% of the state allotment funds must be used.

The High School Allotment Guide provides information on the use of the High School Allotment.

Funding for the High School Allotment ended with the passing of HB3 in 2019.

Hold Harmless Grant – *Now Formula Transition Grant beginning with HB3 in 2019*

House Bill 3 (HB 3)

House Bill (HB 3) 3, a sweeping and historic school finance bill was passed by the 86th Texas Legislature in 2019 and signed by Gov. Greg Abbott. The bill provides more money for Texas classrooms, increases teacher compensation, reduces recapture and cuts local property taxes for Texas taxpayers. HB 3 is one of the most transformative Texas education bills in recent history.

The TEA created a multitude of resources related to HB 3, including an HB 3 in 30 Video Series. Links are provided below to some of the resources.

- HB 3 Overview (PDF)
- HB 3 Bill Summary (PDF)
- HB 3 2-Pager (PDF)
- View HB 3 in 30 Videos

Additional information is available on the TEA website at:
https://tea.texas.gov/about-tea/government-relations-and-legal/government-relations/house-bill-3

I-9 Form

Employers must complete Form I-9 to document verification of the identity and employment authorization of each new employee (both citizen and noncitizen) hired after November 6, 1986, to work in the United States.

Form I-9 is made up of three sections. Employers may be fined if the form is not complete. Employers are responsible for retaining completed forms. Guidance related to the sections is noted below:

- Newly hired employees must complete and sign Section 1 of Form I-9 **no later than the first day of employment.** Section 1 should never be completed before the employee has accepted a job offer.
- Employers or their authorized representative must complete Section 2 by examining evidence of identity and employment authorization **within 3 business days** of the employee's first day of employment.
- Employers or their authorized representatives should complete Section 3 when re-verifying that an employee is authorized to work. When re-hiring an employee within 3 years of the date Form I-9 was originally completed, employers have the option to complete a new Form I-9 or complete Section 3.

E-Verify is a web-based system that allows employers and other participants to confirm the eligibility of their newly hired employees to work in the U.S. by electronically matching information on the employee's Form I-9 against records available to the Social Security Administration and DHS. E-Verify is free and is available to participants in all 50 states. For more information about E-Verify and the E-Verify User Manual.

The Homeland Security Act of 2002 created an executive department combining numerous federal agencies with a mission dedicated to homeland security. On March 1, 2003, the authorities of the former Immigration and Naturalization Service (INS) were transferred to three new agencies in the U.S. Department of Homeland Security (DHS):

- U.S. Citizenship and Immigration Services (USCIS);
- U.S. Customs and Border Protection (CBP); and
- U.S. Immigration and Customs Enforcement (ICE).

Under the Homeland Security Act, the U.S. Department of Justice (DOJ) retained certain important responsibilities related to Form I-9 as well.

Additional information at: I-9 Central | USCIS and the USCIS Handbook for Employers M-274

IFA (Instructional Facilities Allotment)

The IFA program was enacted by House Bill 1 of the 75th Legislature. The program provides assistance to school districts in making debt service payments on qualifying bonds **or** lease-purchase agreements. Bond or lease-purchase proceeds must be used for the construction or renovation of an instructional facility.

A district that constructs a new instructional facility or conducts a major renovation of an existing instructional facility using Instructional Facilities Allotment funds shall consider, in the design of the instructional facility, security criteria developed by the Texas School Safety Center. *Education Code 46.0081 and TAC 61.1032*

TEA's School Finance Topics One-Page is available at: Instructional Facilities Allotment (texas.gov)

Impact Aid

Since 1950, Congress has provided financial assistance to these local school districts through the Impact Aid Program. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax- exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Indian lands. The Impact Aid law (now Title VII of the Elementary and Secondary Education Act of 1965 (ESEA)) provides assistance to local school districts with concentrations of children residing on Indian lands, military bases, low-rent housing properties, or other Federal properties and, to a lesser extent, concentrations of children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property.

The Impact Aid Program Components include the following:

- Payments for Federal Property (Section 7002)
- Basic Support Payments (Section 7003(b))
- Children with Disabilities (Section 7003(d))
- Construction Grants

Many school districts in Texas submit an annual application to the U.S. Department of Education Impact Aid Office. The annual application is due on or before January 31st. The Impact Aide Grant System (IAGS) is the web-based platform used to submit the annual application.

Additional information is available at: https://impactaid.ed.gov/

Important Submission Dates

The Texas District Reporting and Data Submissions calendar is available on the TEA website on an annual basis at: https://tea.texas.gov/reports-and-data/school-performance/accountability-research/district-reporting-schedule. The calendar has valuable information such as:

- Name of collection
- TEA Division including contact person and contact phone number
- Date request sent and the Date Due
- ISD or Charter collection
- Comments – additional guidance, legislative reference, et.

Recent changes may not be reflected on the Financial Compliance's Calendar. Refer to the latest guidance on the TEA Finance and Grants website at: https://tea.texas.gov/finance-and-grants/financial-compliance

Financial Compliance's Calendar			
Item	Due Date	Submission Format	Additional Information
Annual Financial Report - ISD & ESC	January 28th (or November 27th, if June 30th fiscal year end)	PDF & data feed text file (PDF & data feed files submitted through a TEASE Audit account)	Financial Accountability System Resource Guide, (FASRG) §7.3.6.1 - Data Collection & Reporting module
Annual Financial Report - Charter School	January 28th (or November 27th, if June 30th fiscal year end)	PDF (PDF submitted through a TEASE Audit account) and Charter School Annual Financial Report Data Template (emailed to: financialaccountability@tea.texas.gov)	FASRG §7.3.6.1 - Data Collection & Reporting module and Nonprofit Charter School Supplement
Depository Contract - ISD	June 15th (two year term, may be extended twice)	One completed and signed depository contract (or board resolution to extend) submitted through a TEASE Audit account	Texas Administrative Code (TAC) §109.51-2 and Texas Education Code(TEC) §45.201-9
Depository Contract - Charter School	December 1st (every year)	Completed and signed Depository Contract for Funds of Open-Enrollment Charter Schools (or if no changes, provide a statement to this effect) submitted through a TEASE Audit account	TAC §100.1007; §100.1013; §100.1043(b) and TEC §12.107
Fiscal Year Change	June 30th (of the year preceding start date change)	Form FIN-003 (include copy of board minutes if submitted after June 30th)	FASRG, §1.1.12 - FAR module
Superintendent Buyout	60 days following payment(s) or agreement to make payment(s), whichever is sooner	Form AUD001R01, settlement agreement & employment contract (does not apply to charter schools)	TAC §105.1021 and TEC §11.201

Indirect Costs

The US Department of Education (USDE) has given TEA authority to issue indirect cost rates for independent school districts (ISDs), open-enrollment charter schools, and certain other government entities. To recover any indirect costs, these grantees must request and receive a new indirect cost rate for every fiscal year.

Grantees that receive their indirect cost rates from TEA use the rates to recover their organization-wide administrative costs of managing federal grants, such as costs related to accounting, budgeting, purchasing, auditing, and payroll processing. TEA allows these grantees to use indirect cost rates to recover the organization-wide administrative costs of managing state grants as well.

TEA issues two indirect cost rates to local educational agencies (LEAs), a restricted rate and an unrestricted rate.

- **Restricted Rate** - The restricted indirect cost rate is used for grant programs where the supplement, not supplant requirement applies. The majority of the grants that TEA administers are subject to supplement, not supplant, and the restricted indirect cost rate is applied to them.
- **Unrestricted Rate** - The unrestricted indirect cost rate is applied to grants not subject to the supplement, not supplant requirement.

For school year 2020-2021 and beyond, TEA received a new Delegation Agreement from USDE that specifies the USDE-approved indirect cost rate calculation methodology. The Indirect Cost Rate Proposal (ICRP) process has been updated as well as the Additional Costs Workbook (ACW). TEA has developed a data collection methodology that populates PEIMS data into an ICRP. Some of the data is not available through PEIMS so districts must enter a small amount of additional data.

For further information on the updated ICRP data collection process, please review the November 5, 2020, To The Administrator Addressed letter (TAA) and the Indirect Cost Rate Guidance Handbook.

Insurance

District should purchase various lines of insurance: property, boiler, auto, school board legal, workers compensation, unemployment, crime/dishonesty, general liability, etc.

A contract for the purchase of insurance is a contract for the purchase of personal property and shall be made in accordance with Education Code 44.031 or 44.033. *Education Code 44.031, 44.033; Atty. Gen. Op. DM-347 (1995)*

The District may execute an insurance contract for a period longer than 12 months, if the contract contains either or both of the required provisions. If the District executes a multiyear insurance contract, it need not advertise for insurance vendors until the 12-month period during which the District will be executing a new insurance contract. *Atty. Gen. Op. DM-418 (1996)*

Instructional Materials Allotment (IMA)

Legislation from the 82nd Texas Legislature, First Called Session, 2011, created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technological equipment and technology-related services. The IMA is described below:

The Technology and Instructional Materials Allotment (TIMA) can be used to purchase instructional materials; technological equipment; certain related software, systems, and services; and salaries for specific technical support employees, as described in Texas Education Code (TEC), Chapter 31 Instructional Materials and Texas Administrative Code §66.1307.

Each district and open-enrollment charter school is entitled to an instructional materials allotment amount determined biennially by the commissioner and based on the legislative appropriation. These funds become available after September 1 of each odd-numbered year. The allotment is accessed through EMAT (must obtain EMAT access and complete the training and prerequisites first).

Before submitting a disbursement request, review examples of allowable and non-allowable expenditures to understand what can be covered with these funds.

To determine the eligibility of a product or service (before or after entering a disbursement request in EMAT), complete the online Allotment Disbursement Requests form.

Additional information:
https://tea.texas.gov/academics/instructional-materials/instructional-materials-allotment/technology-and-instructional-materials-allotment

Inter-Local Agreements

To increase efficiency and effectiveness, the District may contract or agree with other local governments and with state agencies, including the comptroller, to perform some of its purchasing functions. *Gov't Code 791.001, 791.011, 791.025*

An interlocal contract must be authorized by the Board and the governing body of each contracting party; must state the purpose, terms, rights, and duties of the contracting parties; and must specify that each party paying for the performance of governmental functions or services shall make those payments from current revenues available to the paying party. An interlocal contractual payment must be in an amount that fairly compensates the performing party for the services or functions performed under the contract. The contract may be renewed annually. *Gov't Code 791.011(d)–(f)*

A school district that enters into a purchasing contract valued at $25,000 or more under Education Code 44.031(a)(5) (interlocal contract), under Local Government Code Chapter 271, Subchapter F (cooperative purchasing program), or under any other cooperative purchasing program authorized for school districts by law shall document any contract-related fee, including any management fee, and the purpose of each fee under the contract.

The amount, purpose, and disposition of any fee described above must be presented in a written report and submitted annually in an open meeting of the board. The written report must appear as an agenda item. The commissioner of education may audit the written report. Education Code 44.0331 *[Board Policy CH Legal]*

Internal Controls

The FASRG defines internal controls as a process effected by an entity's board of trustees, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Reliability of financial reporting
- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations

Internal controls are defined by EDGAR (200.1) as a process implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations.

Under EDGAR, all subgrantees must implement internal controls for the administration of their federal grants. Refer to the TEA Internal Controls Handbook for guidance on how to implement your required system of internal controls.

Interest & Sinking (I&S) Tax Rate:

Interest and sinking fund taxes are those associated with the levy of local interest and sinking fund taxes, not including penalties and interest that accrue on delinquent interest and sinking funds tax levies. *[TAC 105.1]*

Interest on Overdue Payment

Government Code 2251.025 includes information related to interest payments:

(a) A payment begins to accrue interest on the date the payment becomes overdue.
(b) Interest accrues on an overdue payment at the rate of one percent each month.
(c) Interest on an overdue payment stops accruing on the date the governmental entity or vendor mails or electronically transmits the payment. In this subsection, "governmental entity" does not include a state agency.
(d) This subsection applies only if the comptroller is not responsible for issuing a warrant or initiating an electronic funds transfer to pay the principal amount owed by a state agency to a vendor. The accrual of interest on an overdue payment to the vendor:
(1) stops on the date the agency mails or electronically transmits the payment; and
(2) is not suspended during any period that a payment law prohibits the agency from paying the vendor.

Government Code 2251.027 further addresses a political subdivision's responsibility for interest payments:

(a) A political subdivision shall compute interest imposed on the political subdivision under this chapter.
(b) The political subdivision shall pay the interest at the time payment is made on the principal.
(c) The political subdivision shall submit the interest payment with the net amount due for the goods or service.
(d) The political subdivision may not require a vendor to petition, bill, or wait an additional day to receive the interest due.

(e) The political subdivision may not require a vendor or subcontractor to agree to waive the vendor's or subcontractor's right to interest under this chapter as a condition of the contract between the parties.

Internet Postings

TASBO has compiled and posted a listing of required Internet Posting Requirements at: https://www.tasbo.org/tools-services/internet-posting-requirements

School Board Policy CQA (Legal) also addresses Other Required Internet Postings. The posting requirements apply to a district that maintains an Internet website. Optional Internet postings are also listed in this policy.

Inventory (Warehouse Operations)

Inventory items of materials, supplies, etc., may be considered expenditures/expenses either when purchased (purchases method) or when used (consumption method), but significant amounts of inventory shall be reported on the balance sheet (Object Code 1300).

Governmental accounting generally requires that amounts spent for the purchase of goods be recorded as an expenditure at the time of the purchase. An exception to this general rule is made for inventory. If the amount of inventory on hand at year end is significant, the value of such inventory should be recorded on the balance sheet as an asset. Since the fiscal year end of school districts often coincides with the start of a new school year, it is not uncommon for many school districts to have a relatively high level of inventory at year end. This inventory should be disclosed on the balance sheet and the method of accounting for inventory should be disclosed in the footnotes to the financial statements. School districts often distribute inventoried supplies to schools prior to fiscal year end to accommodate the beginning of the new academic school year. Such inventories in schools either may be included in inventory at year end if they have not been consumed or may be expensed in the year of distribution.

There are two methods by which the quantity of inventory can be determined at the end of the fiscal year: the perpetual inventory system or the periodic inventory system. Under the periodic inventory system, the inventory is physically counted on the last day of the period under review. A perpetual inventory system is continuously updated over the course of time for the use and purchases of inventory, so that at the end of the year, the quantities shown in the perpetual records should be equal to the quantities actually on hand.

Investments

All investments made by the District shall comply with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and all federal, state, and local statutes, rules or regulations. *Gov't Code 2256.026*

Investments shall be made in accordance with written policies approved by the Board. The investment policies must primarily emphasize safety of principal and liquidity and must address

investment diversification, yield, and maturity and the quality and capability of investment management.

Specific requirements related to investments, as noted in School Board Policy CDA Legal, include but are not limited to the following:

- The board shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.
- The board shall review its investment policy and investment strategies not less than annually.
- A district shall perform a compliance audit of management controls on investments and adherence to the district's established investment policies.
- As an integral part of the investment policy, the board shall adopt a separate written investment strategy for each of the funds or group of funds under the board's control.

The Board shall designate one or more investment officers to be responsible for investment of district funds. Within 12 months after taking office or assuming duties, the treasurer or chief financial officer and the investment officer of the District shall attend at least one training session from an independent source approved either by the Board or by a designated investment committee advising the investment officer. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act.
Gov't Code 2256.008(a)

The treasurer or chief financial officer and the investment officer must also attend an investment training session not less than once in a two-year period (that begins on the first day of the district's fiscal year) and receive not less than eight (8) hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the Board or a designated investment committee advising the investment officer.

Not less than quarterly, an investment officer shall prepare and submit to a board a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. This report shall be presented to a board and a superintendent, not less than quarterly, within a reasonable time after the end of the reporting period.

The board or the designated investment committee shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with a district. Gov't Code 2256.025 A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with a district or to an investment management firm under contract with a district to invest or manage the district's investment portfolio.

House Bill 293 amended Government Code, §2256.008(a-1) to exempt the treasurer, CFO, and investment officer of a school district from the requirement to attend investment training if the district does not invest public funds or only deposits those funds in interest-bearing accounts or certificate of deposit (CDs).

Only districts who invest public funds in interest-bearing accounts and CDs are exempt.
School districts that invest public funds in investment pools or into any type of assets other than interest-bearing deposit accounts or CDs are not exempt. Beginning September 1, 2019, school

district officials who are exempt from investment training must annually submit an affidavit to the Financial Compliance Division of the Texas Education Agency (TEA) identifying the exemption criteria that apply to the district.

To claim an exemption from investment training requirements, a school district must **annually** submit an affidavit identifying the exemption criteria that apply to the district. The district can choose to submit one of the two affidavit forms provided below. One version must be signed before a notary public and the other is signed as an unsworn declaration under Texas Civil Practice and Remedies Code Section 132.001.

- Investment Training Exception Affidavit (Signed before a notary public) (PDF, 144 KB)
- Investment Training Exception Affidavit (Unsworn declaration) (PDF, 97 KB)

Upload a PDF copy of the affidavit through the AUDIT application in the Texas Education Agency Login (TEAL). The affidavit should be uploaded under the section titled "Signed Pages of Annual Financial and Compliance Report (PDF)" and named using the six-digit county district number, followed by ITEA (for Investment Training Exception Affidavit), and ending with a single digit for the fiscal year. Example: 999999ITEA9

Additional information is available at the TEA website: https://tea.texas.gov/finance-and-grants/financial-compliance/public-funds-investment-act-training-for-school-districts

Job Descriptions

Job descriptions shall define the qualifications, duties, and responsibilities of all positions and shall ensure that job descriptions are current and accessible to employees and supervisors.

A job description may include:

- Title and purpose of position
- Fair Labor Standards Act (FLSA) Status
- Qualifications (experience and education)
- Responsibilities & Duties
- Supervisory responsibilities, if any
- Equipment used, and
- Working conditions

Job descriptions are useful in evaluating personnel, establishing FLSA exempt status, and determining physical requirements for workers compensation purposes.

A job description should be signed by each staff member who is paid in part or full with federal grant funds. At a minimum, a job description should be signed each year, or when the job assignment changes. The federal funding source and intent of the position (as it relates to the grant funding source) should be included on the job description.

Districts may have access to numerous sample job descriptions through TASB Human Resources (HR) Services membership.

Job Postings

The District's employment policy must provide that not later than the tenth school day before the date on which the District fills a vacant position for which a certificate or license is required as provided by Education Code 21.003 [see DBA], other than a position that affects the safety and security of students as determined by the Board, the District must provide to each current District employee:

1. Notice of the position by posting the position on:
    a. A bulletin board at:
        (1) A place convenient to the public in the District's central administrative office, and
        (2) The central administrative office of each campus during any time the office is open; and
    b. The District's Internet Web site, if the District has a Web site; and
2. A reasonable opportunity to apply for the position.

Education Code 11.1513(d)

If, during the school year, the District must fill a vacant position held by a teacher, as defined by Education Code 21.201 [see DCB], in less than ten school days, the District must provide notice of the position in the manner described above as soon as possible after the vacancy occurs. However, the District is not required to provide the notice for ten school days before filling the position or to provide a reasonable opportunity to apply for the position. *Education Code 11.1513(e)*

Leaves and Absences

A state minimum personal leave program consisting of five days per year of personal leave, with no limit on accumulation and no restrictions on transfer among districts, shall be provided for District employees. The District may provide additional personal leave beyond this minimum. The Board may adopt a policy governing an employee's use of personal leave granted under this subsection, except that the policy may not restrict the purposes for which the leave may be used. *Education Code 22.003(a)*

TEA clarified in a memorandum, titled State Days and Retirees Memo (dated 5/31/2002) that *Retired teachers are considered school district employees, if the district chooses to rehire them after retirement as teachers under contract. Therefore, these days are cumulative and transferable among districts and retired teachers will be eligible for their unused state days upon rejoining the district.* District's leave policies (DEC Local) should addresses whether the district has chosen to reimburse separating (retiring) employees for unused state or local leave days and whether the days sold to the district will be eligible for future use or subsequent repurchase by the district.

State sick leave balances, days earned, and days used by personnel under the former state's minimum sick leave program and the state's current personal leave program must be recorded on the service record or another similar form containing the same information. State sick leave and state personal leave accumulated in Texas public elementary and secondary schools are transferable among these

schools. State personal leave accrued by an employee of a Texas regional education service center, not to exceed five days per each year of employment, is transferable to a Texas public elementary and secondary school. The service record shall separately state the number of accumulated state days for which the employee is paid, if any, upon separation from the employing district. [Excerpt from TAC 153.1021(d)(8)]

District employees retain any sick leave accumulated as state minimum sick leave under former Section 13.904(a) of the Education Code. Former Section 13.904(c), Education Code, continues to govern the use of that sick leave. In addition to all other days of leave, a District employee who is physically assaulted during the performance of regular duties is entitled to the number of days of leave necessary to recuperate from physical injuries sustained as a result of the assault. At the request of an employee, the District must immediately assign the employee to assault leave. Days of assault leave may not be deducted from accrued personal leave. Assault leave may not extend more than two years beyond the date of the assault.

Notwithstanding any other law, assault leave benefits due to an employee shall be coordinated with temporary income benefits due from workers' compensation so the employee's total compensation from temporary income benefits and assault leave policy benefits will equal 100 percent of the employee's weekly rate of pay.

In addition to the state and assault leave provision, a district may offer local sick and/or personal leave. District leave policies are reflected in Board Policy DEC (Local).

Legislative Briefing Book

TEA publishes and posts a Legislative Briefing Book after every legislative session. The book is available on-line at the TEA website.

The most current Legislative Briefing Books are available at:
https://tea.texas.gov/reports-and-data/legislative-reports/legislative-briefing-book

Legislative Planning Estimate (LPE)

The SOF report contains two columns. One is labeled LPE, which represents the Legislative Planning Estimate and the other DPE, or District Planning Estimate.

A school district's initial FSP allocation is based on estimated property value, property tax collections, and attendance data. The TEC, §48.269, requires the Texas Education Agency (TEA) and the Texas Comptroller to submit these estimated data, known as legislative payment estimates (LPEs), to the Legislature in the fall before each biennial legislative session so that the legislature can use them for budgetary purposes.

A district's scheduled payments for a school year are based on its initial allocation as calculated using LPEs. At certain points throughout the year, the Texas Education Agency (TEA) receives revised tax, attendance, and current year property value data. These revised data are known as district planning estimates (DPEs). A school district's final allocation, or "earnings," for the year are calculated using DPEs, once all revised data are available.

The TEA School Finance Topics: Settle-Up Process addresses the LPE, DPE and settle-up process at: https://tea.texas.gov/sites/default/files/settle-up-one-pager.pdf

Maintenance & Operations (M&O) Tax Rate

A school district's property tax rate is made up of an M&O tax rate and, if applicable, an interest and sinking (I&S) tax rate. As its name suggests, the M&O tax rate provides funds for the maintenance and operations costs of a school district such as salaries, utilities and day-to-day operations. The I&S tax rate provides funds for payment on the debt that districts issue to finance facilities and other capital expenditures. The calculation of both Tier One and Tier Two is tied to a district's M&O tax rate. The calculation of facilities funding is tied to a district's I&S tax rate.

Maintenance of Effort (MOE)

Districts are required to maintain the same level of expenditures with local and/or state funds. Maintenance of effort calculations are required for several federal programs, including the following:

Every Student Succeeds Act (ESSA)

Maintenance of effort (MOE) requires local educational agencies (LEAs) to maintain their state and local expenditures at a specified level from one fiscal year to the next. If your organization receives a federal grant awarded under the Every Student Succeeds Act (ESSA), the MOE requirement specifies that you must spend at least 90% of state and local funds for free public education as you spent in the previous fiscal year. You must comply with MOE requirements in order to receive your full allocation for ESSA covered programs.

The ESSA LEA Maintenance of Effort (MOE) Guidance Handbook (PDF 557 KB) provides guidance on how to interpret and determine your organization's compliance with the ESSA LEA MOE requirement.

Special Education (IDEA)

Maintenance of effort (MOE) requires local educational agencies (LEAs) to maintain the level of state and local funds they spend to support federal programs from one fiscal year to the next. If your organization receives a federal grant awarded under the Individuals with Disabilities Education Act, Part B (IDEA-B), the MOE requirement specifies that you must spend at least the same amount of state and local funds to provide services to students with disabilities that you spent in the previous fiscal year. You must comply with the MOE requirement to receive IDEA-B funding each fiscal year (34 CFR §300.203).

Refer to the IDEA-B LEA Maintenance of Effort (MOE) Guidance Handbook (PDF 755 KB) for information related to compliance.

Additional information is available on the TEA website at: https://tea.texas.gov/finance-and-grants/grants/federal-fiscal-compliance-and-reporting/idea-fiscal-compliance/idea-b-lea-maintenance-of-effort

Maximum Compressed Tax Rate (MCR)

Each district will have its own maximum compressed tax rate (MCR) determined by TEA. To provide property tax relief, the Texas Legislature established a Tier One tax rate (MCR) beginning with the 2019 tax year. Currently, a district's MCR is $1.00 multiplied by the state compression percentage, which is 0.93. For example, if a district had a 2018 Tier One M&O tax rate of $1.00, then its MCR would be $0.93. A school district must adopt a tax rate at least equal to its MCR to maximize revenue related to Tier One.

For additional information related to copper pennies refer to the TEA Texas Public School Finance Overview, 2020 at: https://tea.texas.gov/sites/default/files/texas-public-school-finance-overview.pdf

New Hire Reporting

New hire reporting is mandated by federal law under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and requires employers to report new hires and rehires no later than 20 calendar days after the hire date. *Board Policy DC Legal*

Texas Administrative Code (55.307) provides a penalty of $25 for each occurrence in which an employer fails to report hiring an employee, or a penalty of $500 for conspiring with an employee to fail to file a report or submit a false or incomplete report.

New hire reporting with the Office of the Attorney General is separate from quarterly wage reporting to TWC.

The District shall furnish to the Directory of New Hires (Texas Attorney General's Office) a report that contains the name, address, Social Security number and date of hire of each newly hired employee. The report shall also contain the District's name, address, and employer identification number. The District may also provide, at its option, the employee's date of birth, expected salary or wages, and the District's payroll address for mailing of notice to withhold child support.
The District shall report new hire information on a Form W-4 or an equivalent form, by first class mail, telephonically, electronically, or by magnetic media, as determined by the District and in a format acceptable to the attorney general.

New hire reports are due:

1. Not later than 20 calendar days after the date the District hires the employee; or
2. In the case of the District transmitting reports magnetically or electronically, by two monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

New hire reports shall be considered timely if postmarked by the due date or, if filed electronically, upon receipt by the agency. *42 U.S.C. 653a(b), (c); Family Code 234.101–234.104; 1 TAC 55, Subch. I*

Additional information at: Questions regarding the Employer New Hire Reporting Program should be directed to Texas Employer New Hire Reporting at: www.employer.texasattorneygeneral.gov.

NIFA (New Instructional Facilities Allotment)

The TEC, §42.158, enacted by Senate Bill 4, 76th Legislature, 1999, created the New Instructional Facility Allotment (NIFA) for public school districts. Former section 42.158 was transferred to TEC, §48.152 via HB 3, 86th Legislature. Funding has been made available through the 2022–2023 school year. The 87th Legislature made changes to the appropriation enacted by Senate Bill 1, that is included in this document.

The NIFA is provided for operational expenses associated with the opening of a new instructional facility and is available to all public school districts and open-enrollment charter schools that construct new instructional facilities that meet the requirements of the statute and rules. The NIFA provides support for opening a new campus through a reimbursement of up to $1,000 per student in average daily attendance (ADA) in the first year of operation of the new campus, plus up to $1,000 for each additional student in ADA in the second year of operation.

Additional information is available on TEA's School Finance Topic – NIFA One-Pager at: https://tea.texas.gov/sites/default/files/new_instructional_facility_allotment-nifa_one_pager.pdf

No Child Left Behind (NCLB) (Replaced by ESSA)

The Elementary and Secondary Education Act of 1965 (ESEA) was first passed by Congress as part of President Lyndon B. Johnson's War on Poverty. The most recent reauthorization amending ESEA is the No Child Left Behind Act of 2001 (NCLB). This legislation aimed to close the achievement gap between groups of students through greater accountability and increased flexibility and choice.

NCLB was replaced by the Every Student Succeeds Act (ESSA) in 2015.

Notice of Grant Award (NOGA)

A Notice of Grant Award (NOGA) is issued after a grant is approved by TEA. All expenditures must occur during the project period, i.e. the start and end grant dates as noted on the NOGA.

The NOGA includes the begin date and end date of the grant award. It is essential to adhere to these dates to ensure allowability of obligations and expenditures with federal grant funds. It also includes the Catalog of Federal Domestic Assistance (CFDA) number that is reported on the Schedule of Federal Awards schedule in the Annual Financial Report (AFR).

After July 1, 2015, all NOGAs issued by the TEA will reflect the federal regulations that apply to the federal grant award. Most, if not all, federal grant awards will fall under the new EDGAR regulations.

Optional Extended Year Program

Optional Extended Year Program (OEYP)
Districts may receive funding for the OEYP for a period not to exceed 30 instructional days for students in grades K-11 who are identified as likely not to be promoted to the next grade level for the succeeding school year or in grade 12 who are identified as likely not to graduate before the beginning of the succeeding school year. TEC §29.082(a) The Districts must report OEYP data through the TSDS reporting.

The three types of OEYP are extended day (before/after school), extended week (Saturdays), and extended year (intercession/summer). A student may participate in one type of OEYP or a combination of OEYP types. A school district shall provide transportation to each student who is required to attend a program under this section and who is eligible for regular transportation services.

Additional information: TAC 105.1001 Optional Extended Year Program

NOTE. The Optional Extended Year Program (OEYP) will not be funded for 2020–2021. Local education agencies will not be required to report OEYP attendance. As a result, access to the OEYP Student Records section of the TSDS PEIMS will be blocked.

Optional Flexible School Day Program (OFSDP)

The OFSDP is a program that your district may offer to provide flexible hours and days of attendance for students who have dropped out of school or are at risk of dropping out; are participating in a TEA-designated ECHS, P-TECH, or ICIA; are attending a campus implementing an innovative redesign under a plan approved by the commissioner of education; or as a result of attendance requirements under the TEC, §25.092, will be denied credit for one or more classes in which the students have been enrolled.

Students participating in an OFSDP may attend on a fixed or flexible schedule that does not meet the traditional 75,600 minutes, five-days-per-week requirement.

The OFSDP program provides an alternative method of attendance accounting. A student must receive a minimum of 45 minutes of instruction on any given day to accrue eligible OFSDP minutes for the day.

Additional information related to the OFSDP is available in the TEA Student Attendance Accounting Handbook.

Optimum Fund Balance

TEA had set a rule of thumb to compute the optimum fund balance in the General Fund. The rule of thumb calls for the computation of the optimum unreserved undesignated fund balance equal to the estimated amount to cover cash flow deficits in the General Fund for the fall period in the following fiscal year plus estimated average monthly cash disbursements of the General Fund for the nine

months following the fiscal year. Appendix 3 in the Financial Accounting and Reporting module contains the "Optimum Fund Balance Calculation Schedule" and the "Instructions for Completion of Optimum Fund Balance Schedule for the General Fund."

A copy of the district's Optimum Fund Balance schedule may be included in the Annual Financial Audit as a local option, but is no longer used as a Schools FIRST indicator.

Payment Ledgers (State Funds)

State payments are made directly to a school district's depository bank or other designated account. Payments are generally deposited on the 25th of the month. If the 25th of the month falls on a weekend or holiday, payments should be deposited by the first working day following the 25th.

The district's Foundation Payment Schedule, based on the Payment Class, is available in PDF and Excel format at: https://tealprod.tea.state.tx.us/fsp/Reports/ReportSelection.aspx

Changes in depository bank, bank account numbers, etc. should be submitted to TEA to insure that payments are not delayed.

A payment ledger is available at the TEA website.
https://wfspcprdap1b16.tea.state.tx.us/Fsp/Reports/ReportSelection.aspx

Payments to Vendors

A payment owed by the District based on a contract executed on or after September 1, 1987, is overdue on the 31st day after the date on which the District received the goods under the contract or the date on which the performance of services under the contract was completed, or the date on which the District received the invoice for the goods or services, whichever is later. However, if the Board meets only once a month, the payment is not overdue until the 45th day after the date of receipt of goods, performance of services, or receipt of invoice, whichever is later. The renewal, amendment, or extension of a contract executed on or before September 1, 1993, is considered to be the execution of a new contract. *Gov't Code 2251.021*

A payment begins to accrue interest on the date the payment becomes overdue. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The rate in effect on September 1 is equal to the sum of one percent and the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. Interest on an overdue payment stops accruing on the date the District or vendor mails or electronically transmits the payment. The unpaid balance of a partial payment made within the prescribed period accrues interest, unless the balance is in dispute. *Gov't Code 2251.025, 2251.029*

The District shall notify a vendor of an error in an invoice submitted for payment by the vendor not later than the 21st day after the date the District receives the invoice. If a dispute is resolved in favor of the vendor, the vendor shall receive interest on the unpaid balance beginning on the date that the payment for the invoice is overdue. If a dispute is resolved in favor of the District, the vendor shall

submit a corrected invoice that shall be paid within 30 days of receipt. The unpaid balance accrues interest if it is not paid by the appropriate date. *Gov't Code 2251.042*

Additional information: Board Policy CHF (Legal)

PBMAS (Performance-Based Monitoring)

Performance-Based Monitoring (PBM) staff develops the Performance-Based Monitoring Analysis System (PBMAS), an automated data system that reports annually on the performance of school districts and charter schools in selected program areas (bilingual education/English as a second language, career and technical education, certain federal Title programs, and special education).

PBMAS reports may be retrieved by district name or county district number. Reports for years 2004 to 2018 are available at:
https://tea.texas.gov/Student_Testing_and_Accountability/PBMAS/

PBMAS was replaced with the Results Driven Accountability (RDA) in 2019. It is a local education agency (LEA) level, data-driven monitoring system developed and implemented annually by the Division of Review and Support in coordination with other departments within the Texas Education Agency (TEA).

PEIMS (Public Education Information Management System)

The Public Education Information Management System (PEIMS) is a data collection system developed by TEA in response to the passage of House Bill 72 (HB 72) in 1984. Embodied within this legislation was the directive " that the performance and results of the public education system be measured, evaluated, and publicly reported." (see: *Preliminary Approach: An Improvement Strategy for the Texas Public Education Information Management System (PEIMS),* dated August 5, 1991.) In response to the passage of HB 72, the state board of education directed TEA to develop a coordinated database for accountability. PEIMS was developed to provide a single system for collecting school district information and to maintain the information in one common database. The first PEIMS data submission occurred in the 1987-88 fiscal year.

TSDS PEIMS is the software application for the state's Public Education Information Management System (PEIMS). LEAs load, validate, and submit their PEIMS data to TEA via TSDS PEIMS. The system also provides reports and access for the prior four years' collections.

Data extracted from the LEA data systems(s) must be formatted to reflect what is in the Texas Education Data Standards (TEDS). Every LEA in the state will use the same extensible markup language (XML) formats to submit data. The LEA's data will be loaded to the Education Data Warehouse (EDW) where it will be subject to the business rules and validations prior to being certified by the LEA superintendent. completions for students.

There are multiple TSDS submissions due throughout the school year. The Submission and Resubmission Timelines are available in the TSDS Web-Enabled Data Standards at:
https://tealprod.tea.state.tx.us/TWEDS/87/0/0/0/DataSubmission/TimeLine.

Additional information: https://www.texasstudentdatasystem.org/

Permanent School Fund (PSF) – Bond Guarantee Program (BGP)

The PSF was created with a $2,000,000 appropriation by the Texas Legislature (the "Legislature") in 1854 expressly for the benefit of the public schools of Texas. The Constitution of 1876 stipulated that certain lands and all proceeds from the sale of these lands should also constitute the PSF. Additional acts later gave more public domain land and rights to the PSF.

In 1953, the U.S. Congress passed the Submerged Lands Act that relinquished to coastal states all rights of the U.S. navigable waters within state boundaries. If the state, by law, had set a larger boundary prior to or at the time of admission to the Union, or if the boundary had been approved by Congress, then the larger boundary applied.

After three years of litigation (1957 – 1960), the U. S. Supreme Court on May 31, 1960, affirmed Texas' historic three marine leagues (10.35 miles) seaward boundary. Texas proved its submerged lands property rights to three leagues into the Gulf of Mexico by citing historic laws and treaties dating back to 1836. All lands lying within that limit belong to the PSF. The proceeds from the sale and the mineral-related rental of these lands including, bonuses, delay rentals and royalty payments, become the corpus of the Fund.

On November 8, 1983, Article 7, Section 9(b), of the Texas Constitution, which provides for the guarantee of school district bonds by the Permanent School Fund (PSF), was approved by Texas voters. In 2011, the Legislature added charter schools to the program via Senate Bill 1 (SB 1). The Bond Guarantee Program (BGP) allows for bonds that are properly issued by a school district or a charter school to be fully guaranteed by the corpus of the PSF with the approval of the commissioner of education. The guarantee has received "AAA" ratings from the major bond rating services and replaces the need for private bond insurance.

To participate in the BGP, districts must apply to the Texas Education Agency (TEA) and be approved by the commissioner. The TEA reviews each application according to both statutory requirements and State Board of Education (SBOE) rules. This review includes confirming that the application is complete and accurate and that the district is financially sound. The TEA also reviews the district's School FIRST or Charter FIRST rating, its annual financial audit report, its accreditation status, its intervention status, its accountability rating, and the complaints database that is maintained by the agency. Charter districts must have a preliminary investment grade credit rating to be considered for the guarantee.

Additional information is available at TEA's School Finance Topics: Permanent School Funds One-Pager

Playground Equipment

Public funds may not be used to purchase playground equipment or surfacing for the area under and around the equipment if either purchase does not substantially comply with each applicable provision of the Handbook for Public Playground Safety, published by the U.S. Consumer Product Safety Commission.

Public funds may be used to maintain playground equipment or surfacing that was purchased before September 1, 1997, even if they do not comply with the Playground Safety Handbook.
Health and Safety Code 756.061

The Texas Department of State Health Services (DSHS) conducts inspections for compliance with the standards of the Health and Safety Code Chapter 756, subchapter E §756.061 of playground equipment at schools, child care facilities and municipal parks in areas of the State of Texas without local Health Departments and at all youth camps and state parks.

The regulation requires all playground equipment purchased with public funds to comply with the US Consumer Product Safety Commission's Handbook for Public Playground Safety.

Playground equipment inspections may be conducted as part of a facility inspection.

Playground Safety Maintenance Checklist (PDF 48KB)

Additional information at: http://www.dshs.state.tx.us/phs/playground.aspx

Positive Pay

Positive Pay is an anti-fraud service offered by virtually every US commercial bank. It protects companies against altered checks and counterfeit check fraud.
Positive Pay requires the district to send (transmit) a file of issued checks to the bank each day checks are written. When those issued checks are presented for payment at the bank, they are compared electronically against the list of transmitted checks. The check-issue file sent to the bank contains the check number, account number, issue date, and dollar amount. Sometimes the payee name is included, but is not part of the matching service.
When a check is presented that does not have a "match" in the file, it becomes an "exception item". The bank sends a fax or an image of the exception item to the district. The district reviews the image and instructs the bank to pay or return the check.
There is generally a fee charged by the bank for Positive Pay, although some banks now offer the service for free. The fee might well be considered an "insurance premium" to help avoid check fraud losses and liability.

Posters (Employment)

Federal Guidance

The United States Department of Labor (DOL) requires that certain posters and notices be posted in the workplace. The Department of Labor provides electronic copies of the required posters and some of the posters are available in languages other than English.

The DOL's eLaws *FirstStep* Poster Advisor is designed to help employers comply with the poster requirements of several laws administered by the Department of Labor. The Poster Advisor only provides information about Federal DOL poster requirements. You may want to contact your State Department of Labor (Texas) to obtain information about your state's requirements.

State Guidance

Workplace compliance posters required to be displayed can vary from one employer to another. Posters can be printed free of charge directly from links on the Texas Workforce Commission website or at the U.S. Department of Labor website. (www.dol.gov).

The TWC website contains information related to required posters for Texas employers. Some requirements, such as the Texas Pay Law, do not apply to public entities, such as school districts.

Local Guidance

Every district should determine which federal and state posters apply to the district. [Note. The poster requirements may be different for school districts and charter districts.]

Some of the typical posters include the following:

- Fair Labor Standards Act (FLSA)
- Equal Employment Opportunity (EEOC)
- Family and Medical Leave Act (FMLA)
- Uniformed Services Employment and Reemployment Rights Act (USERRA)

Work-site posters are available through the Texas Association of School Boards (TASB). Descriptions and pricing available at: http://store.tasb.org/work-site-posters/. The posters generally contain the federal and state posters that apply to school districts.

P-TECH (Pathways in Technology Early College High Schools)

In June of 2018, the Texas Education Agency (TEA) implemented the new Pathways in Technology Early College High Schools and Industry Cluster and Innovative Academies (P-TECH/ICIA) design Blueprint. The purpose of the P-TECH/ICIA model is to provide students with a seamless path from high school, to post-secondary education, to employment. In a P-TECH/ICIA, students earn a high school diploma and work credentials, including certifications and licenses, and education credentials, which include educational certificates, diplomas, and degrees. They also engage in work-based education at every grade level, such as internships, apprenticeships, or other forms of job training programs.

Schools seeking P-TECH/ICIA designation must engage in one year of planning (known as the "Planning Year") with the support of a TEA selected technical assistance provider, Educate Texas, prior to being designated as a P-TECH/ICIA. Existing P-TECH/ICIA designees must reapply annually for P-TECH/ICIA designation renewal and demonstrate they are meeting the Blueprint design elements and outcomes-based measures (OBMs). TEA will continue to evaluate the Blueprint and incorporate stakeholder feedback to support schools. The Blueprint will ensure that schools fulfill P-TECH/ICIA requirements with fidelity of implementation.

Additional information:
https://tea.texas.gov/academics/college-career-and-military-prep/pathways-in-technology-early-college-high-school-p-tech

Public Information Act (PIA)

The Texas Public Information Act (TPIA or the Act) gives the public the right to request access to government information. Below is a description of the basic procedures, rights and responsibilities under the Act.

Making a Request. The Act is triggered when a person submits a written request to a governmental body. The request must ask for records or information already in existence. The Act does not require a governmental body to create new information, to do legal research, or to answer questions. The public information officer shall not make an inquiry of the requestor, except to clarify the request.

The officer for public information shall prominently display a sign in the form prescribed by the attorney general that contains basic information about the rights of a requestor, the responsibilities of the Board, and the procedures for inspecting or obtaining a copy of public information under Government Code Chapter 552. The officer shall display the sign at one or more places in the administrative offices of the District where it is plainly visible to:

1. Members of the public who request public information in person; and
2. Employees of the District whose duties include receiving or responding to public information requests.

Gov't Code 552.205

Texas Attorney General's Website – Public Information Act Poster
Texas Attorney General's Website – Public Information Handbook
Additional information about the TPIA is available in Board Policy GB Legal and the Attorney General's website at: https://www.texasattorneygeneral.gov/open-government

Pupil Projections (Enrollment)

Pupil projections are estimates of student enrollment for budget planning and forecasting purposes. The suggested source of enrollment is the Fall PEIMS student data reports. It is very important that the enrollment counts used are gathered at approximately the same point in the school year.

TASBO's 2020-21 Pupil Projection Template (updated November 2020) provides several approaches to forecasting pupil attendance for future years. The template has been updated with the school year 2019-20 enrollment and the 2019-20 Near-Final Summary of Finances attendance data prior to the ESSERs adjustment. The template will automatically populate the data for past years. You must supply the enrollment by grade for school year 2020-21. The template is available at: https://www.tasbo.org/tools-services/pupil-projection-template

The Attendance Projections subsystem of the FSP System is opened in October of even-numbered years for school districts to review and update projections. Additional information is available in TEA's School Finance Topics – Attendance Projections One-Pager

Purchasing

Statutes containing requirements for competitive *purchasing/contracting processes* for districts are found in the Texas Education Code, Local Government Code, *Government Code,* Texas Revised Civil Statutes, Texas Attorney General Opinions, federal regulations, School Board Policies and other sources.
In addition, the Education Department General Administrative Regulations (EDGAR) include the federal regulations as they relate to procurement with federal grant funds. The EDGAR Procurement Standards are available at the USDE EDGAR website at:
https://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

The school district objective is to purchase the best products, materials, and services at the lowest practical prices *within relevant statutes and policies*. Procurement policies must, of course, accommodate the school district's unique operating environment and needs. While school district administrators are not authorized to override state law or board policy, they can customize the purchasing function to provide for regulatory compliance while minimizing procedures and related costs.

TEA has developed numerous resources to aid school districts in complying with all applicable federal and state regulations. One of the most comprehensive resources is the FASRG Module 5: Purchasing. It contains a variety of topics include the following:

- Purchasing Ethics
- Purchasing Policy and Procedures
- Competitive Procurement Methods
- Required and Suggested Contract Provisions
- Other related topics

TEA resources that aid in procurement with federal grant funds include the following:

- Procurement Guidance Handbook
- Budgeting Cost Guidance Handbook
- Supplement, Not Supplant Handbook

RDA (Results Driven Accountability)

Results Driven Accountability (RDA) is a local education agency (LEA) level, data-driven monitoring system developed and implemented annually by the Division of Review and Support in coordination with other departments within the Texas Education Agency (TEA). The 2019 RDA Manual is intended to serve as a comprehensive technical resource used by the TEA as one part of its annual evaluation of LEAs' performance and program effectiveness.

The 2019 RDA includes several key changes from the 2018 Performance-Based Monitoring Analysis System (PBMAS). Many of these changes are marked in the manual as "New!" for easy reference.

Additional information is available on the TEA website at:
https://tea.texas.gov/student-assessment/monitoring-and-interventions/rda/rda-and-pbmas-manuals

Recapture

Under former Chapter 41, Education Code, the wealth of a school district was measured in terms of the taxable value of property within the school district borders divided by the number of students in weighted average daily attendance (WADA). Recapture ensured that a district's property wealth per WADA did not exceed certain levels, known as equalized wealth levels.

As a result of the passage of House Bill (HB) 3 by the 86th Legislature, beginning in school year 2019–2020, recapture is now based on local revenue in excess of entitlement under TEC, §48.257, instead of equalized wealth levels. The formula changes to recapture under HB 3 significantly reduced recapture and eliminated certain disparities between recapture and non-recapture districts.

Additional information is available in TEA's School Finance Topics – Local Excess Revenue One Pager.

Refined Average Daily Attendance (RADA)

A simple calculation can determine the number of students in ADA. In this calculation, the total number of students who are in attendance each day of the school year for the entire school year is divided by the number of instructional days in the school year.

The actual calculation of the number of students in ADA is slightly more complex. In this calculation, which produces a number known as the "refined ADA," the sum of the number of days attended by all students in a six-week period (sum of all students' days of attendance) is divided by the number of days taught in the six-week period. The results for all six-week periods in a school year are then summed, divided by six, and rounded to three decimal places.

The refined ADA can then be adjusted to account for significant declines in enrollment and change any prekindergarten attendance that was reported as full-day attendance to be half-day attendance.[2] This further adjusted ADA figure is known as "adjusted refined ADA."

Additional information about RADA is available in TEA's Texas Public School Finance Overview.

Rollback Rate – *Replaced by Voter Approved Tax Rate with HB3 in 2019*

SAS 99

Statement of Auditing Standards 99 (SAS 99), *Consideration of Fraud in a Financial Statement Audit*, applied to the annual independent audit beginning with the audit for fiscal year 2004 (the fiscal period ended June 30, 2004 or August 31, 2004, depending upon the school district's fiscal year end). Under SAS 99, school districts' auditors are expected to perform procedures to assess the risk of fraud. The management of a school district is responsible for implementing appropriate administrative systems and policies that will sufficiently diminish the risk of fraud. Independent auditors will examine fiscal transactions, records, documents, procedures, processes, policies and/or systems, in addition to making observations and obtaining written evidence of close supervision and management of individuals that have access to fiscal assets and financial accounting processes. It is to be noted that school districts that provide evidence of proactive steps to adequately diminish the risk of fraud will achieve a more favorable assessment by their independent auditors.

Safe and Supportive School Program (SSSP)

SB11 enacted Texas Education Code, §37.115 (b), which requires the TEA to adopt rules to establish a Safe and Supportive School Program in coordination with the Texas School Safety Center (TxSSC). These rules also cover issues related to trauma-informed care training, and mental health training.

Given the impact and additional challenges of COVID-19 on local education agency (LEA) capacity, the Texas Education Agency (TEA) has decided to delay the finalization of the SSSP and

Trauma-Informed Care Policy and Training rule. [TAA SSSP Update, April 1, 2021] This delay will also allow TEA to ensure additional stakeholder engagement in the rulemaking process and ensure that the rule aligns with other district and school improvement frameworks, such as the Effective Schools Framework.

In the meantime, LEAs are still required to comply with the provisions of statute in Senate Bill (SB) 11 from the 86th Legislative Session. As a reminder, SB 11 contains six SSSP components that are codified in Texas Education Code (TEC), §37.115, §38.036, and §38.254.

TEA will continue to phase in the SB 11 mandatory data reporting requirement for the SSSP teams. In November 2021, TEA will again issue a survey via Qualtrics to all school districts and open-enrollment charter schools to collect data regarding LEA behavioral threat assessments conducted by SSSP teams, team training received, and some information on interventions provided. Completion of the survey will be a mandatory reporting requirement for threats assessed during the time period of September 1, 2020 through August 31, 2021.

Additional information is available at TEA's webpage: Safe, Supportive and Positive School Climate: https://tea.texas.gov/about-tea/other-services/mental-health/safe-supportive-and-positive-school-climate

Salary Advances & Loans

The District shall not lend its credit or gratuitously grant public money or things of value in aid of any individual, association, or corporation. *Tex. Const. Art. III, Sec. 52; Brazoria County v. Perry, 537 S.W.2d 89 (Tex. Civ. App.-Houston [1st Dist.] 1976, no writ)*

School Board Policy CE Legal

Sales Tax

School district purchases are tax exempt. Individual purchases, such as staff or student individual shirts, are taxable if they become the personal property of the individual. The Texas Comptroller's website includes information related educational organizations at: https://comptroller.texas.gov/taxes/exempt/educational.php

A sales tax exemption form should be provided to all vendors to ensure that sales tax is not charged or invoiced.

Sales tax shall be collected on all taxable sales and submitted to the Texas State Comptroller. Taxable sales include, but are not limited to the following:

- School store supplies
- Publications
- Fund raising sales

Note: Each school district, each school, and each bona fide club or organization of each school is entitled to conduct two (2), one-day tax free sales each calendar year.

Additional information on School Fundraisers is available on the Texas Comptroller's website at: https://comptroller.texas.gov/taxes/publications/94-183.php

Scholarships – College

Private conditional gifts and bequests that become an ongoing fiduciary responsibility are recorded as either a private-purpose or permanent fund depending on whether or not the gift itself may be expended. For example, if an individual made a donation to the school district of $20,000 to be used for scholarships and specified that only the interest earned on the $20,000 could be used to make the scholarship payments, it would be recorded in a Permanent Trust Fund. On the other hand if the individual did not specify that only the interest earned or specified that the interest earned and the original donation of $20,000 could be used to make the scholarship payments, it would be recorded as a Private-Purpose Trust Fund. Gifts or bequests of non-monetary types of property are recorded at appraised or estimated fair market value at the time of receipt.

A gift, devise, or bequest made to provide college scholarships for District graduates may be invested by the Board as provided in Property Code 117.004, unless otherwise specifically provided by the terms of the gift, devise, or bequest. *Education Code 45.107*

Refer to the FASRG Module 1 for additional information related to scholarships.

School Facilities Funding and Standards

Standards for school facilities are contained in the Commissioner's Rules for School Facilities, TAC 61.1036. The TAC defines educational specifications as a written document for a proposed new school facility or major space renovation that includes a description of the proposed project, expressing the range of issues and alternatives.

School districts that do not have personnel on staff with experience in developing educational specifications shall use the services of a design professional or consultant experienced in school planning and design to assist in the development of the educational specifications. The school district shall allow for input from teachers, other school campus staff, and district program staff in developing the educational specifications.

Additional information related to facilities funding and standards is available on the TEA website at: https://tea.texas.gov/finance-and-grants/state-funding/facilities-funding-and-standards

Schools FIRST

The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve these practices. The system is

designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

School districts are required to distribute the financial management report to parents and taxpayers. The board of trustees is required to hold a public hearing on the report at a district facility within two months of receiving the final financial accountability rating.

Notice of the hearing, including date, time and location, must be provided to a newspaper of general circulation in the district **once a week for two weeks prior to holding the public meeting**. The first notice may not be placed more than 30 days or less than 14 days prior to the public hearing.

A Schools FIRST kit is available at the TASBO website:
https://www.tasbo.org/tools-services/schools-first-communication-kit

Additional information:
https://tea.texas.gov/finance-and-grants/financial-accountability/financial-integrity-rating-system-of-texas-first/financial-integrity-rating-system-of-texas

Security Audit

At least once every three years, the District shall conduct a security audit of the District's facilities. To the extent possible, the District shall follow security audit procedures developed by the Texas School Safety Center or a comparable public or private entity. The District shall report the results of the security audit to the Board. *Education Code 37.108*

The end of the 2017-2020 audit cycle is approaching, and it is time for school districts to report their audit results to the TxSSC via the District Audit Reporting Tool (DARtool). The DARtool consists of questions pertaining to districts' safety and security audit results and other district safety and security issues.

The TxSSC has requested and received a waiver/suspension from the Office of the Governor to extend the *school safety and security audit cycle* deadline from August 31, 2020 to **October 31, 2020**, due to COVID-19. For more information about the audit extension, visit the TxSSC COVID-19 FAQ webpage.

The *DARtool* has been open for submission for several months now and the deadline to report audit results is **November 15, 2020**. *[TAA Mandatory Safety Audits, Oct 15, 2020]*

For more detailed guidance on conducting safety and security audits, please visit the TxSSC's School Safety and Security Audit Toolkit.

The first Security Audit must be completed by August 31, 2008 and every 3 years thereafter.

Service Record

The basic document in support of the number of years of professional service claimed for salary increment purposes and both the state's sick and personal leave program data for all personnel is

the service record (form FIN-115) or a similar form containing the same information. It is the responsibility of the issuing district to ensure that service records are true and correct and that all service recorded on the service record was actually performed. The service record must be validated by a person designated by the District to sign service records. The service record shall be kept on file at the District. When employment with the District is terminated, the original service record, signed by the employee, shall be given to the employee upon request or sent to the next employing district. The District must maintain a legible copy for audit purposes.
19 TAC 153.1021(b), (d)

TEA resources related to Service Records are available as noted below:

- Frequently asked salary and service questions (FAQ's)
- Electronic interactive service record (PDF, 1.01 MB)
- Interactive digital signature service record (PDF, 1.02MB)
- Service record (Word)
- College employment verification forms
- Verification of accreditation status forms

Severance Payments

Payments made to Superintendents, Any amount paid by the board of trustees of an independent school district to or in behalf of a superintendent on early termination of the superintendent's contract that exceeds the amount earned by the superintendent under the contract as of the date of termination, including any amount that exceeds the amount of earned standard salary and benefits that is paid as a condition of termination of the contract.
Settlement--A payment made to an employee to settle actual or threatened litigation, or to resolve an actual or disputed claim the employee may have against the employer. A settlement does not include payments for the early termination of a contract Foundation School Program (FSP) reduction amount--The portion of a severance payment to a superintendent that is deducted from an independent school district's FSP funds.
If a district makes a payment to a superintendent who is departing early, the district must file a Superintendent Payment Disclosure Form with the Texas Education Agency (TEA). However, the district does not have to file the form for a payment already earned and payable under the terms of a terminated employment contract, such as a payment for accrued vacation.
The form must be filed not later than the 60th day after the earlier of the following events:

- The district executes the agreement to make the payment or
- The district makes any payment under such an agreement.

The commissioner will reduce a district's FSP funding by the amount that a severance payment to a superintendent exceeds one year's salary and benefits under the superintendent's terminated contract.

https://tea.texas.gov/Finance_and_Grants/Financial_Compliance/Superintendent_Payment_Disclosure/

Site-based Decision Making

Site-based decision making implementation has been mandated for all Texas school districts since 1992.

The basic premise of site-based decision making is that the most effective decisions are made by those who will actually implement the decisions. The belief is that people involved at the campus level have a greater opportunity to identify problems, develop problem resolution and change strategy than people located off-campus. Site-based decision making concepts also recognize that people at the campus level are more likely to internalize change and to support its implementation if they are involved in the decision making than if they are not.

The objective of site-based decision making is to improve student performance and to enhance accountability. Each campus should have the freedom to set its own educational objectives, consistent with the school district's goals.

Specifically, both the campus- and district-level planning and decision-making committees' roles address the areas of:

- Planning
- Budgeting
- Curriculum
- Staffing patterns
- Staff development
- School organization

Additional information is available in School Board Policy BQB Legal and TEC 11.251 (b-e).

State Program Allotments (Post HB 3)

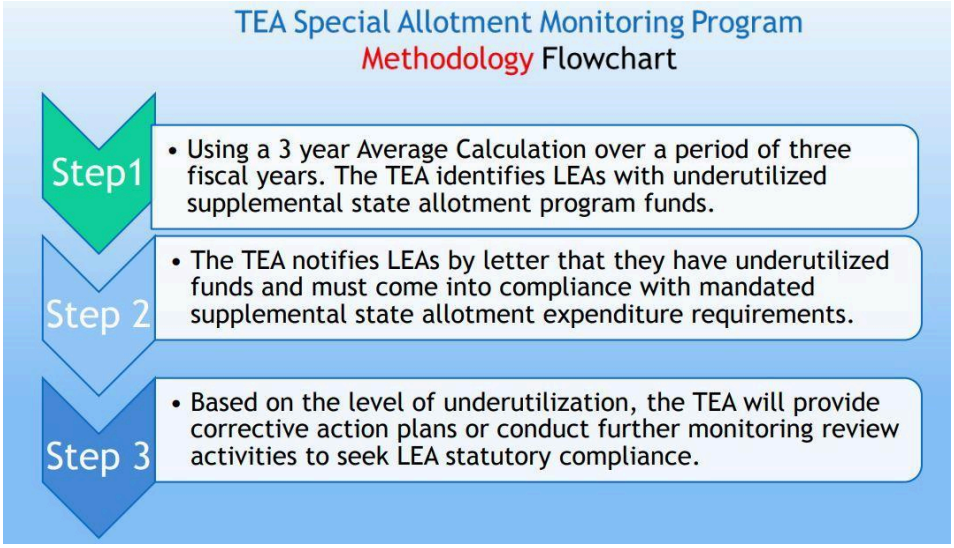
The Tier One state program allotments under Subchapter B and C, Chapter 48, Education Code, allotments appear on lines 21-28 of the SOF report. Select special programs are linked to program information.

Special Education Allotment
Dyslexia Allotment
State Compensatory Education Allotment
Bilingual Education Allotment
Career and Technology Allotment
Early Education Allotment
CCMR (College Career and Military Readiness) Bonus

The Gifted and Talented Allotment was eliminated as part of HB 3 in 2019 but reinstated in 2021. Detailed information regarding the allotment is pending. The estimated funding for FY 2021 is posted on the TEA website at:
https://tea.texas.gov/sites/default/files/Schedule%20of%20Estimated%20Funding%20for%20GT.pdf

School districts are mandated to spend at least 55% of these allotments on directly related expenditures, except for the Early Education Allotment and the Dyslexia Allotment that have a 100% spend requirement.

TEA monitors compliance with the required spend percentages using Summary of Finance and PEIMS data reports. The Special Allotments Monitoring Program (SAMP) is specifically designed to focus on ensuring the school district's compliance and accountability related to supplemental state allotment program funding. The SAMP Methodology Flowchart is depicted below:



State Board of Education (SBOE)

The Commissioner of Education and the State Board of Education (SBOE), an elected 15 member board, oversee the public education system of Texas in accordance with the Texas Education Code.

The SBOE is required to meet at least quarterly. Meetings are held in the William B. Travis State Office Building, which houses the Texas Education Agency, at 1701 North Congress Ave. in Austin. Approximately one week before each meeting, the agenda is posted on the Texas Education Agency's home page, made available to each of the 20 regional education service centers located throughout the state, and available to the public and news media at Board meeting at: https://tea.texas.gov/about-tea/leadership/state-board-of-education

State Board of Educator Certification (SBEC)

The State Board for Educator Certification was created by the Texas Legislature in 1995 to recognize public school educators as professionals and grant educators the authority to govern the standards of their profession. The Board oversees all aspects of the preparation, certification, and standards of conduct of public school educators.

The Texas Education Code requires that the Governor appoint the following 11 voting members of the Board, each serving a six-year term: four classroom teachers, one counselor, two administrators, and four citizens. Three non-voting members also serve on the Board: a dean of a college of

education is appointed by the Governor; a staff member of the Texas Education Agency is appointed by the Commissioner of Education; and a staff member of the Texas Higher Education Coordinating Board is appointed by the Commissioner of Higher Education.

The rules adopted by the State Board for Educator Certification (SBEC) are part of a larger body of state agency rules that are collected and published by the Office of the Secretary of State as the Texas Administrative Code (TAC). SBEC rules are codified under Title 19, Part VII, of the TAC. Title 19 is Education, and Part VII is the State Board for Educator Certification. The SBEC may adopt new rules or amendments to or repeals of existing rules.

The SBEC is required to meet at least once per quarter of the calendar year. Meetings are normally held in the William B. Travis State Office Building, which houses the Texas Education Agency, at 1701 North Congress Ave. in Austin, Texas. Meeting information is available at: https://tea.texas.gov/about-tea/leadership/state-board-for-educator-certification/sbec-meetings

State Compensatory Education (SCE)

State Compensatory Education (SCE) began with the passage of House Bill (HB) 1126, 64th Texas Legislature, 1975. Since the inception of SCE, the program has undergone numerous changes resulting in some of the current rules for SCE that are disclosed in the TEC, §29.081, the TEC, §48.104, and other applicable statutes and rules.

Over the last three decades, state compensatory education (SCE) has experienced many changes that have affected the delivery of educational programs to educationally disadvantaged students. An objective of this volume of the Financial Accountability System Resource Guide (FASRG) is to provide detailed information that will assist local education agencies (LEA) with the understanding of the numerous options for use of the SCE allotment. Foremost, the intent of this volume of the FASRG is to explain various components of the SCE auditing and reporting system required by Texas Education Code (TEC), §48.104.

TEC, §29.081, defines compensatory education as programs and or services designed to supplement the regular education program for students that meet one or more of the statutory or locally defined criterion for being at risk of dropping out of school or students that have taken an end-of-course assessment under TEC, 39.023 (c), and have not performed satisfactorily on the assessment.

Beginning with the 2019-2020 school year, House Bill 3 changed the allotment methodology, increased the overall allotment and changed the spending requirements among other changes.

Additional information (FASRG: SCE Module 6) at: https://tea.texas.gov/sites/default/files/fasrg17-module6-final-accessible.pdf

State Funding Worksheets

The TEA State Aid Template and the State Funding Worksheets published by ESC 13 are available on the TEA website at: https://tea.texas.gov/finance-and-grants/state-funding

Student Transfers (Civil Action 5281)

Civil Action 5281 is the name of a federal court order handed down by Judge William Wayne Justice in 1968, and modified in 1971. This court order was the result of a lawsuit brought against the State of Texas by the U.S. Department of Education. The court found the schools in Texas to be segregated in violation of the U.S. Constitution. In the court order, Judge Justice ordered the Agency to take actions to ensure that the state's schools were desegregated to the satisfaction of the court.

Section A of CA-5281 requires regulating student transfers. It states that the Agency will approve, review, and monitor all student transfers between school districts to determine whether the "cumulative effect of such transfers will change the majority or minority percentage of the school population, based on average daily attendance in such districts by more than one percent (1%), in either the home or the receiving district . . . ."

A Frequently Asked Questions document is available at the TEA website:
https://tea.texas.gov/About_TEA/Government_Relations_and_Legal/Civil_Action_5281/

Summary of Finance (SOF)

State aid templates (worksheets) used to estimate state revenue. TEA prepares a preliminary Summary of Finance and posts it on their website typically in late August. Revisions to the Summary of Finance are posted as new data becomes available. In late September or early October, TEA posts a Near-Final Summary of Finance that has been adjusted based on the summer PEIMS submission of student attendance data. The following spring, typically in March or April, TEA posts a Final Summary of Finance that has been adjusted based on the actual collections as submitted on the Annual Financial Audit Report by each school district.

School districts are strongly encouraged to utilize the state aid templates provided by the School Finance division at the Education Service Center, Region XIII to calculate their estimated state revenue with current data. The ESC, Region XIII state aid templates are located at:
http://www5.esc13.net/finance/

The TEA Summary of Finance documents for the current and previous years are located at:

https://tealprod.tea.state.tx.us/fsp/Reports/ReportSelection.aspx

Surplus equipment

The District may dispose of surplus equipment in any manner prescribed by the Board. The District may transfer to a student enrolled in the District:

1. Any data processing equipment donated to the District, including equipment donated by a private donor, a state eleemosynary institution, or a state agency under Government Code 2175.128;
2. Any equipment purchased by the District; and
3. Any surplus or salvage equipment owned by the District. *Education Code 32.102(a)*

Before transferring data processing equipment to a student, the District must:

1. Adopt rules governing transfers, including provisions for technical assistance to the student by the District;
2. Determine that the transfer serves a public purpose and benefits the District; and
3. Remove from the equipment any offensive, confidential, or proprietary information, as determined by the District.

Education Code 32.104

For additional information refer to School Board Policy CI Legal – School Properties Disposal
Title to federally owned property remains vested in the federal government. The district must submit annually an inventory listing of federally owned property in its custody to the federal awarding agency. Upon completion of the federal award or when the property is no longer needed, the district must report the property to the federal awarding agency for further federal agency utilization.

When original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, except as otherwise provided in federal statutes, regulations, or federal awarding agency disposition instructions, the district must request disposition instructions from the federal awarding agency if required by the terms and conditions of the federal award. Disposition of the equipment will be made as prescribed in 2 C.F.R. 200.313(e), in accordance with federal awarding agency disposition instructions.

School Board Policy CBB Legal and USDE EDGAR Property Standards

TASB (Texas Association of School Boards)

Created in 1949, the Texas Association of School Boards (TASB) is a voluntary, nonprofit, statewide educational association that serves and represents local Texas school districts.
Membership

TASB is proud to have all 1,024 Texas school boards as Active Members of the Association. TASB has maintained this 100 percent membership for more than 30 continuous years. The Association represents the largest group of publicly elected officials in the state (more than 7,000 school board members) that serves more than 5.4 million Texas students.

TASB's other membership categories include 20 education service center (ESC) boards, 50 community colleges, 21 central appraisal districts, 133 shared service arrangements, and 78 charter schools.
A Services Catalogue is available at the TASB website:
https://www.tasb.org/services/catalog/tasbcatalog.pdf

TASBO (Texas Association of School Business Officials)

An independent, not-for-profit professional association, the Texas Association of School Business Officials (TASBO) is dedicated to serving as the recognized source of accurate, objective school business and operations information, educating its diverse membership and constituency in professional best practices, and promoting high standards of conduct and professional ethics in the industry.

TASBO is one of the state and province affiliates of the Association of School Business Officials International (ASBO Intl.) which serves members from the United States, Canada, and more than 20 other nations.

Established in 1946, TASBO began as a forum for exchanging ideas and sharing information about school business operations in Texas. In the early years, TASBO was operated by volunteers throughout the state, but as the Association's membership and services grew, a center of operations was founded in Austin in 1986.

Currently, TASBO has over 7,000 members, 25 regional affiliates and 13 research committees divided by subject-matter, and three standing committees.

There are many TASBO Member benefits such as: discounts on training, access to the TASBO Connect Forum, Leadership Development and Mentoring Programs, and much more. The calendar of training events is posted on the TASBO website at: https://www.tasbo.org/events. An extensive Online Learning Library is also available at: https://www.tasbo.org/elearning

Additional Information: https://www.tasbo.org/

TAC (Texas Administrative Code)

The rules adopted by the State Board of Education (SBOE) and the Commissioner of Education are part of a larger body of state agency rules that are collected and published by the Office of the Secretary of State as the Texas Administrative Code (TAC). SBOE and commissioner's rules are codified under Title 19, Part II, of the TAC. Title 19 is Education, and Part II is the Texas Education Agency. The SBOE and the Commissioner of Education may adopt new rules or amendments to existing rules.
Additional Information: https://tea.texas.gov/about-tea/laws-and-rules/sboe-rules-tac

Tax Rate Compression

Under HB3 (2019) "state compression percentage" means the percentage of the rate of $1.00 per $100 valuation of taxable property at which a school district must levy a [district 's adopted] maintenance and operations tax to receive the full amount of the tier one allotment to which the district is entitled under this chapter.

Tax Values and Tax Rates

Tax collection reports are submitted to TEA (submit via TEASE) on an annual basis. The tax collection information is valuable in updating the Summary of Finance estimates. Tax Information Survey system opens in June and closes in August.

Additional information related to Property Values & Tax Rates:
https://tea.texas.gov/finance-and-grants/state-funding/additional-finance-resources/school-district-property-values-and-tax-rates

TEA Payment Report

School districts, education service centers, charter schools, colleges and universities, state agencies, and other organizations/businesses can receive information about their payments from the Texas Education Agency on this report.

If you have **questions about payments on this report or payments not received**, contact the Program Area of TEA which issues the funds/NOGAs by calling the **phone number** shown on the NOGA Agreement or by clicking once on the TEA Payment "**Contacts**" tab on the report. For other payment inquiries, call TEA Accounting at 512-475-1869 or use email: **payment@tea.state.tx.us**.

TEA Payment Report Instructions are available on the TEA website.

TBPC

The Texas Procurement and Support Services division's mission is to lead the State of Texas procurement and contracting communities with enhanced services, innovative systems, and best practices to further encourage competition and operational efficiency for the benefit of state agencies, local government entities, and the vendor community.

To encourage competition and best value, TPASS works with over 12,000 vendors globally to award hundreds of contracts for goods and services. Over 200 State Agencies and 1,600 CO-OP members use TPASS contracts to increase efficiency and decrease expenses
Additional Information:
http://www.window.state.tx.us/procurement/

TEASE (TEA Secure Environment) & TEAL

To apply for access to a TEA Web application, click the request access link next to the application in the list below. Superintendents and other organization heads must apply for User Administration +. This gives them the ability to manage staff requests for access to TEA online applications. Some applications still require forms to be printed, signed, and sent to TEA. For most newer applications, the entire process can be completed online.
TEA migrated the TEASE access to TEA Login (TEAL)**.**
https://tealprod.tea.state.tx.us/TSP/TEASecurePortal/Access/LogonServlet

TEC (Texas Education Code)

This code applies to all educational institutions supported in whole or in part by state tax funds unless specifically excluded by this code. The Texas Education Code (TEC), state law governing education, may be viewed or downloaded by accessing this link.
https://statutes.capitol.texas.gov/?link=ED

Texas Academic Performance Reports (TAPR)

The **Texas Academic Performance Reports (TAPR)** pull together a wide range of information on the performance of students in each school and district in Texas every year. Performance is shown disaggregated by student groups, including ethnicity and low income status. The reports also provide extensive information on school and district staff, programs, and student demographics.

The TAPRs are available on the TEA website at the below:

https://tea.texas.gov/perfreport/tapr/index.html

The TAPRs were previously known as the Academic Excellence Indicator System (AEIS) Reports. Those reports were published from 1990-91 to 2011-12. They may be found at the **AEIS Archive**.

Texas Education Agency (TEA)

The mission of the Texas Education Agency is to provide leadership, guidance, and resources to help schools meet the educational needs of all students. The Texas Education Agency (TEA) is comprised of the commissioner of education and agency staff. The TEA and the State Board of Education (SBOE) guide and monitor activities and programs related to public education in Texas. The SBOE consists of 15 elected members representing different regions of the state. One member is appointed chair by the governor.
Located in Austin, Texas at 1701 N. Congress Ave., the TEA is the administrative unit for primary and secondary public education. Under the leadership of the commissioner of education, the TEA:

- manages the textbook adoption process;
- oversees development of the statewide curriculum;
- administers the statewide assessment program;
- administers a data collection system on public school students, staff, and finances;
- rates school districts under the statewide accountability system;
- operates research and information programs;
- monitors for compliance with federal guidelines; and
- serves as a fiscal agent for the distribution of state and federal funds.

The TEA operational costs are supported by both state and federal funds. Additional information about TEA is available at: https://tea.texas.gov/about-tea

Texas Student Data System (TSDS)

The Texas Student Data System (TSDS), a major initiative by the Texas Education Agency, is a **statewide system** that modernizes and improves the quality of data collection, management, and reporting in Texas education.

Through the new studentGPS™ Dashboards and other improvements, TSDS will support higher student performance across the state. TSDS also replaces and expands on the existing Public Education Information Management System (PEIMS). TEDS is a critical part of the new TSDS vision. These XML-based standards allow TEA to respond more swiftly and cost-effectively to changing data reporting requirements, and they conform with US Department of Education best

practices. TEDS is applied at the point that local systems create an extract for TSDS: that extract must be in TEDS-compliant XML format. As the extracted data is loaded to the ODS, it will be validated against TEDS.

TEDS includes all data elements, code tables, business rules, and data validations needed to load local education agency (LEA—Texas school district or charter school) education data to TSDS for PEIMS.
Additional information: https://www.texasstudentdatasystem.org/

Texas Statutes

All Texas laws are available via the TEA website:
https://statutes.capitol.texas.gov/?link=ED

Textbooks

Refer to Instructional Materials Allotment.

Legislation from the 82nd Texas Legislature, First Called Session, 2011, created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technological equipment and technology-related services.

Refer to the Instructional Materials Allotment topic.

Tier One Tax Rate

Tier One of the FSP provides school districts (and open-enrollment charter schools) with a basic level of funding through several allotments, including those for regular basic education, special education (SPED), dyslexia, compensatory education, bilingual education (including dual language programs), career and technology education (CTE), public education grants, early education, college, career, or military readiness, fast growth, small and mid-sized districts, teacher incentives, transportation, and new instructional facilities.

To provide property tax relief, the Texas Legislature established a Tier One tax rate (MCR) beginning with the 2019 tax year. Currently, a district's MCR is $1.00 multiplied by the state compression percentage, which is 0.93. For example, if a district had a 2018 Tier One M&O tax rate of $1.00, then its MCR would be $0.93. A school district must adopt a tax rate at least equal to its MCR to maximize revenue related to Tier One.

For additional information refer to the Texas Public School Finance Overview.

Title IX

Title IX of the Education Amendments of 1972, states: "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance."

Sexual harassment of students may constitute discrimination on the basis of sex in violation of Title IX. A district that receives federal financial assistance shall adopt and publish grievance procedures providing for prompt and equitable resolution of employee complaints alleging any action prohibited by Title IX. *34 CFR 106.8(b); North Haven Board of Education v. Bell, 456 U.S. 512 (1982)* [See DGBA]

The District shall designate at least one employee to coordinate its efforts to comply with Title IX, Section 504, the Age Act, and the ADA. The District shall notify all employees of the name, office address, and telephone number of the employee(s) so designated.
34 CFR 104.7(b), 104.11; *28 CFR 35.107, 35.140*; *34 CFR 106.8(b)*

New Title IX regulations, effective August 2020, require the establishment of five (5) separate roles to handle Title IX complaints. School districts must identify the five roles, ensure that all positions are trained, and school districts must post the training materials on its website.

Board Policy DAA (Local) shall include the Title IX Coordinator's name, address and phone number.

Transparency Mandates on School Districts

This document explains the many transparency mandates with which school districts must comply. The document was compiled by the Texas Association of School Boards (TASB).
https://www.tasb.org/legislative/documents/2018-report-on-school-district-mandates.pdf

Transportation

School transportation funding, known as the transportation allotment, is part of overall Foundation School Program (FSP) funding. It is included as a separate line item on a school district's state aid report, known as the Summary of Finances report. Districts report transportation data to the agency through the web-based FSP System.

Reports due to TEA (submit via TEAL):

August 1: Route Services Report

- Report opens in FSP Application during the first week of May
- Both this report and the Operations Report are required to receive transportation funding

December 1: Operations Report

- Report opens in FSP Application during the first week of October
- Both this report and the Route Services report are required to receive transportation funding

Additional information related to Transportation Funding, including the Transportation Allotment Handbook are available at:
https://tea.texas.gov/finance-and-grants/state-funding/state-funding-reports-and-data/school-transportation-funding.

In addition, TEA's School Finance Topics – Transportation Funding and Reporting One Pager is available on the TEA website.

TRS On-Behalf Payments

Employees of a school district that are eligible for teacher retirement have a percentage of their salaries withheld to be paid to TRS. In addition, the state pays matching funds to the TRS on behalf of the employees.

School districts (rather than the state) must pay the "matching amounts" for school district employees that are paid from *federal funds*. Additionally, under certain circumstances, the school district must pay a *portion* of the "matching amounts" for professional employees paid from *non-federal sources*. The "matching amounts" that are not paid by school districts are paid by the state of Texas. These "matching amounts" paid by the state on behalf of a school district's employees must be recorded by the school district as on-behalf payment revenues and expenditures.

Refer to the FASRG Module 1 for On-Behalf Payment Calculations and Methodology. The state revenues are reported in object code 5831 and the matching expenditures in object code 6144.

(Refer to TRS Payroll Reporting Procedures Manual for current deduction instructions and rates)

Truth-in-Taxation

Truth-in-taxation is a concept embodied in the Texas Constitution that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases. Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value.

For additional information, access the Texas State Comptroller's website:

http://www.window.state.tx.us/taxinfo/proptax/tnt/pdf/96-1212.pdf

UIL (University Interscholastic League)

The University Interscholastic League was created by The University of Texas at Austin to provide leadership and guidance to public school debate and athletic teachers. Since 1909 the UIL has grown into the largest inter-school organization of its kind in the world.

The voluntary-membership, non-profit organization exists to provide educational extracurricular academic, athletic, and music contests. The initials UIL have come to represent quality educational competition administered by school people on an equitable basis.

The purpose of the UIL is to organize and properly supervise contests that assist in preparing students for citizenship. It aims to provide healthy, character building, educational activities carried out under rules providing for good sportsmanship and fair play for all participants.

UIL Side-by-Side is published on the UIL Website each year. Additional information: UIL website at: http://www.uiltexas.org/policy/tea-uil-side-by-side

UIL Steroid Testing Program

Mandated by Senate Bill 8 (passed by the 80th Texas Legislature) and codified in section 33.091 of the Texas Education Code, this statewide random testing program will affect student-athletes in grades 9-12, regardless of sport, gender or participation level.

Beginning with the 2007-08 school year, the UIL has been directed to test a statistically significant number of student-athletes in grades 9-12 at UIL member high schools. The selection process of schools and student-athletes is random, and selected student athletes are tested for anabolic steroids only. All testing dates will be unannounced, in keeping with the nature of the random steroid testing process.

http://www.uiltexas.org/health/steroid-information

Vendor

A vendor to the District shall file any required conflict of interest questionnaire if the person has a business relationship with the District and:

1. Has an employment or other business relationship with an officer of the District, or a family member of the officer, described by Local Government Code 176.003(a)(2)(A); or

2. Has given an officer of the District, or a family member of the officer, one or more gifts with the aggregate value specified by Local Government Code 176.003(a)(2)(B), excluding any gift described by Local Government Code 176.003(a-1).

The records administrator for each district shall maintain a list of local government officers of the entity and shall make that list available to the public and any person who may be required to file a conflict of interest questionnaire. *Local Gov't Code 176.007* [See BBFA]

A district that maintains an Internet Web site shall provide access on the District's Internet Web site to the conflicts disclosure statements and questionnaires required to be filed with the records administrator. *Local Gov't Code 176.009*
https://www.ethics.state.tx.us/forms/conflict/
Certificate of Interested Parties (Form 1295):
In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency.
The law applies (with a few exceptions) only to a contract between a business entity and a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Changes to the law requiring certain businesses to file a Form 1295 are in effect for contracts entered into or amended on or after January 1, 2018. The changes exempt businesses from filing a Form 1295 for certain types of contracts and replace the need for a completed Form 1295 to be notarized. Instead, the person filing a 1295 needs to complete an "unsworn declaration."

Additional information; Texas Ethics Commission at: https://www.ethics.state.tx.us/filinginfo/1295/

Volunteer Program

The District shall develop a volunteer program. In developing the program, the District shall consider volunteers a resource that requires advance planning and preparation for effective use. If practicable, the District shall include volunteers in addition to paid staff in planning the implementation of the program. *Gov't Code 2109.003*

A volunteer may not perform any volunteer duties until:

1. The volunteer has provided to the District a driver's license or another form of identification containing the person's photograph issued by an entity of the United States government; and

2. The District has obtained from the Texas Department of Public Safety and may obtain from any other law enforcement agency, criminal justice agency, or private consumer reporting agency all criminal history record information that relates to a volunteer.

This section does not apply to a person who volunteers or is applying to volunteer with the District or shared services arrangement if the person:

1. Is the parent, guardian, or grandparent of a child who is enrolled in the District or school for which the person volunteers or is applying to volunteer;
2. Will be accompanied by a District employee while on a school campus; or
3. Is volunteering for a single event on the school campus.

Voter Approved Tax Rate (VATR)

The rollback tax rate provided for under Section 26.08, Tax Code, has been renamed the voter-approval tax rate. There is no longer an effective tax rate calculation. The voter-approval tax rate for the 2019 tax year will be the sum **of:**

a) The state compression percentage times $1.00 (93 cents);
b) The greater of: i) the district's tax effort for the 2018 tax year that exceeded $1.00 minus any tax rate compression required for the enrichment tax rate in section (2) (b) (i) above, or ii) 4 cents; and c) The district's current debt rate.

Weighted average daily attendance (WADA)

The term *weighted average daily attendance (WADA)* refers to a specialized calculation of the number of students that is used in calculations involving the Foundation School Program (FSP). In general, the number of WADA is calculated by summing the district's Tier I allotments, making some adjustments, and dividing that sum by the amount of the basic allotment.
an adjusted count of the number of students in average daily attendance that gives greater weight to students who fall under certain categories, such as students who are enrolled in a gifted and talented program, and thus cost more to educate.

WADA is the weighted average daily attendance figure used in several state funding formulas to calculate the amount of state and local funds to which a district is entitled. A district's WADA is calculated by taking the Tier One components listed in the TEC, Chapter 48, Subchapters B and C, and then dividing by the district's Basic Allotment (BA).

Additional information available in the Texas Public School Finance Overview and the TEA School Finance Topics – ADA/WADA One-Pager.

Wellness Policy

Each district must establish a local school wellness policy for all schools participating in the National School Lunch Program and/or School Breakfast program under the jurisdiction of the district. The local school wellness policy is a written plan that includes methods to promote student wellness, prevent and reduce childhood obesity, and provide assurance that school meals and other food and beverages sold and otherwise made available on the school campus during the school day are consistent with applicable minimum federal standards. 7 C.F.R. 210.31(a)

The Wellness Policy must contain, but is limited to, the following:

- Physical activity
- Nutrition education
- Nutrition standards
- Other school-based activities
- Involve parents, students, representatives of the school food authority, the Board, administrators, and the public in the development of the school wellness policy.

Additional information: Board Policy: FFA (Legal)

QZAB

The Qualified Zone Academy Bonds (QZAB) is a federal program. QZABs are bonds that school districts can use to save money on school renovation projects. The program is designed to provide tax credits to bond holders that are approximately equal to the interest that states and communities would ordinarily pay the holders of taxable bonds. This program does not grant funding. No monetary payments/awards are issued from the State to the district. This program allows the State to grant program authorization to a limited number of qualifying districts. This allows those districts to issue QZAB bonds that benefit qualifying individual campuses.

In order for the district to gain QZAB designation, it must meet the program's proof of eligibility, provide an assurance of private business contribution, and submit the district's program intent. Additional requirements may have to be met after receipt of an allocation to comply with federal tax law regarding the allocation. For more information on those possible additional requirements, ask your local bond counsel. An application must be filed and the designation must be approved prior to the district issuing its QZAB debt.
Additional Information:
https://tea.texas.gov/Finance_and_Grants/State_Funding/Facilities_Funding_and_Standards/Qualified_Zone_Academy_Bond_Program/