



# Office of School Finance Update

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School Finance/Chief School Finance Officer



# Agenda

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- Office of School Finance 3.0
- State Funding News
- Financial Accountability News
- Financial Compliance News
- Legislative News



# Office of School Finance 3.0

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- 1.0. Pre-2011 reduction in force (RIF)
  - State Funding
  - Forecasting and Fiscal Analysis
- 2.0. Post-2011 RIF
  - School Finance
- 3.0. Effective November 1, 2012
  - State Funding
  - Financial Accountability
  - Financial Compliance (formerly known as Financial Audits)



# Office of School Finance 3.0

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- State Funding Division: administers the Foundation School Program (FSP)
  - Director – Amanda Brownson
    - FSP Operations – Amy Copeland, Manager
      - *Summary of Finances* (SOF) reports – customer service
      - Chapter 41, staff salary allotments, property tax values and collections
      - Charter Schools
    - FSP Support – Al McKenzie, Manager
      - *SOF* reports – technical support
      - Transportation funding
      - Facilities and bond guarantee programs



# Office of School Finance 3.0

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- Financial Accountability Division: administers financial reporting and financial accountability
  - Belinda Dyer, Director
    - Publishes budgeted and actual expenditures reported to the Public Education Information System (PEIMS)
    - Submits financial data for federal reporting
    - Issues school district and charter ratings based on the financial integrity rating system of Texas (FIRST)
    - Conducts financial solvency reviews; tracks financial exigency
    - Develops fiscal notes and fiscal impact statements



# Office of School Finance 3.0

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- Division of Financial Compliance: reviews annual financial reports (AFRs), conducts desk reviews of attendance reporting and special investigations
  - Director – vacant and interviewing next week
    - AFR reviews – Paul Moreno, Manager
      - School districts, charter schools, ESCs and non-profits
      - Also: depository contracts and superintendent buyouts
    - Desk reviews and special investigations – Michael Richmond, Manager
      - Attendance accounting
      - Transportation
      - Complaints



# Office of School Finance 3.0

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- Where did the rest of the former Financial Audit Division go?
  - Division of Federal Fiscal Compliance and Reporting
    - American Recovery and Reinvestment Act Monitoring
    - Indirect Cost Rates
    - Maintenance of Effort
  - See: To All Administrators Addressed correspondence dated 11/14/2012 at:
    - [http://www.tea.state.tx.us/taa\\_letters.aspx#ListSummary1](http://www.tea.state.tx.us/taa_letters.aspx#ListSummary1)



# State Funding News

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- “Final” settle-up changes to 2011–2012 *SOF* reports made in April reflect:
  - Tax collections reported on J-1 schedule of AFR, including payments to tax increment funds (TIFs)
  - Any changes in FSP entitlements since the “near-final” settle-up in fall 2012 due to changes in average daily attendance (ADA), weighted average daily attendance (WADA), student or staff full-time equivalents (FTEs), or other FSP funding factors





# State Funding News

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- Updates to 2012–2013 district planning estimates (DPEs) on *SOFs* now reflect:
  - Projected 2012–2013 ADA based on reported enrollment
  - Projected 2012–2013 tax collections, including 2012 tax rate increases
  - Updated 2011 property values



# State Funding News

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- New staff
  - Facilities programs: Jacqueline Pree
    - [Jacqueline.Pree@tea.state.tx.us](mailto:Jacqueline.Pree@tea.state.tx.us)
    - (512) 475-1217
  - Chapter 41: Kim Wall
    - [Kimberley.Wall@tea.state.tx.us](mailto:Kimberley.Wall@tea.state.tx.us)
    - (512) 463-4809



# State Funding News

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- Chapter 41
  - Netting recapture payments against Additional State Aid for Tax Reduction (ASATR)
    - Available only if ASATR is sufficient to cover recapture
    - Must select another option if ASATR is not sufficient
  - Delinquency letters in process for districts that have prior year payments due



# Financial Accountability News

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- Re-write of Financial Accountability Resource Guide (FASRG)
  - Re-writing module by module
  - Separating requirements from guidance
  - Involving stakeholders; inviting comments
- Financial solvency
  - Reviews of solvency plans underway
  - Survey for 2012–2013 in progress



# Financial Compliance News

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- Reviews of AFRs
  - Beginning with submissions of 2012–2013 AFRs
    - School districts – TEA staff will no longer check quality of audit data submitted
    - Charter schools – will be required to submit audit data electronically
  - Potential implications for FIRST ratings – variance of more than 3% from PEIMS data results in failure of indicator 8



# Financial Compliance News

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- State compensatory education (SCE) reporting
  - Issues related new program intent code (PIC) 32 and SCE expenditure requirements
    - Developing new PICs to address reporting problems
    - Providing opportunity to request waivers from expenditure requirements, if non-compliance is associated with PIC 32
      - Include Actual Compliance Report – General Fund from EDIT+ with waiver request



# Legislative News

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# Contact Information

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- General contact information:
  - State Funding/Financial Accountability:
    - (512) 463-9238
    - [sfinance@tea.state.tx.us](mailto:sfinance@tea.state.tx.us)
  - Financial Compliance
    - By telephone: (512) 463-9095
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