Office of School Finance Update

Lisa Dawn-Fisher, Ph.D.
Associate Commissioner
School Finance/Chief School Finance Officer
Agenda

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

• 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

• 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
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)
“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

• 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

● New staff
  – Facilities programs: Jacqueline Pree
    • Jacqueline.Pree@tea.state.tx.us
    • (512) 475-1217
  – Chapter 41: Kim Wall
    • Kimberley.Wall@tea.state.tx.us
    • (512) 463-4809
State Funding News

• 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
• 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
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

• 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
• General contact information:
  – State Funding/Financial Accountability:
    • (512) 463-9238
    • sfinance@tea.state.tx.us
  – Financial Compliance
    • By telephone: (512) 463-9095
    • By email: schoolaudits@tea.state.tx.us