



## To the Administrator Addressed

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

<b>DATE:</b>	<b>June 24, 2021</b>
<b>SUBJECT:</b>	<b>New Required Schedule J-4</b>
<b>CATEGORY:</b>	<b>Annual Financial Report</b>
<b>NEXT STEPS:</b>	<b>Share with business and program staff</b>

The purpose of this letter is to inform school districts and open-enrollment charter schools (local educational agencies or LEAs) that a new schedule will be required in the annual financial report (AFR). LEAs are strongly encouraged to include Schedule J-4 with their fiscal year 2020–2021 AFR and data feed submissions.

Beginning with fiscal year-end (FYE) 2021, LEA auditors are strongly encouraged to answer the new set of compliance questions that are aligned with the requirements to the Texas Education Code, §48.104, Compensatory Education Allotment, and §48.105, Bilingual Education Allotment, as amended by House Bill 3 of the 86th Texas Legislature, 2019. The compliance questions can be found in the Financial Accountability System Resource Guide, Module 4: Auditing, section 4.6.5 Compliance with Laws and Regulations.

Starting in FYE 2022, both the new J-4 schedule and the compliance questions will be required. They will be used to determine if the program funds were not used in compliance with the statutes. This determination may involve the LEA's average use of funds for the three preceding school years.

Schedule J-4 contains two sections of four questions. The questions are related to Compensatory Education Program and Bilingual Education Program expenditures.

Data Codes	<b><u>Section A: Compensatory Education Programs</u></b>	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes / No
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes / No
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ _____
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ _____
	<b><u>Section B: Bilingual Education Programs</u></b>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes / No

AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes / No
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ _____
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ _____

Please note that data feed Schedule J-4 is to be included as part of the AFR submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and as an Adobe Acrobat PDF.

**Questions**

If you have any questions, please contact the Division of Financial Compliance by phone at (512) 463-9095 or email at [schoolaudits@tea.texas.gov](mailto:schoolaudits@tea.texas.gov).

Sincerely,

David Marx, CPA  
 Director, Financial Compliance