

## To the Administrator Addressed

**Commissioner Mike Morath** 

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DATE:	August 7, 2025
SUBJECT:	Preliminary 2024–2025 FIRST Ratings
CATEGORY:	Accreditation Information
NEXT STEPS:	Share with appropriate staff

Texas's school financial accountability rating system, known as the Financial Integrity Rating System of Texas (FIRST), provides accountability for Texas public schools on the quality of their financial management practices and that they improve these practices. The purpose of this letter is to inform Texas public school systems about the planned public posting of the preliminary 2024–2025 FIRST ratings.

### Release of 2024–2025 FIRST ratings

The preliminary 2024-2025 FIRST ratings are now available for a preview in the School FIRST and Charter FIRST applications in the <u>Texas Education Agency Login (TEAL)</u> application. **The agency will release the ratings to the public on August 8, 2025**. To access your school system's FIRST rating, click the <u>Financial Integrity Rating System of Texas</u> link. Then, click the appropriate link as follows:

- School districts must use the School District FIRST Ratings link.
- Charter schools must use the Charter FIRST Ratings link.

## **Basis for FIRST Rating**

Your school system's rating is based on an analysis of the school system's financial data for fiscal year 2024 (the fiscal period ended June 30, 2024, or August 31, 2024, depending on the ending date of your school system's fiscal year). TEA determined your school system's rating using the financial indicators specified in:

- 19 Texas Administrative Code (TAC) §109.1001(e)(8) for school districts; and
- <u>19 TAC §109.1001(f)(8)</u> or <u>19 TAC §109.1001(g)(2)</u> for charter schools, depending upon the type of charter school operated.

Please carefully review your school system's preliminary FIRST rating and the data associated with each of the indicators.

# **Opportunity for Appeal**

If your school system wishes to appeal an adverse issue it identifies in the preliminary rating, your school system may submit a written appeal with supporting evidence to the TEA Financial Compliance Division in the manner noted below. For the appeal to be considered, TEA must receive it on or before **September 8, 2025**.

• School districts must submit appeals and supporting documentation to the following email address: <a href="mailto:FinancialAccountability@tea.texas.gov">FinancialAccountability@tea.texas.gov</a>.

- Charter schools must submit appeals and supporting documentation in the Charter FIRST application via the <u>Texas Education Agency Login (TEAL)</u> application by completing the following steps:
  - 1. Select your charter school's county-district number (CDN).
  - 2. Go to the **Indicator Detail Summary** tab and select the indicator your charter school wants to appeal.
  - 3. Click the **Appeal** button, which is in the bottom right of the screen, and complete the information on the **Appeal Details** screen.

Please see 19 TAC \$109.1001(n) for the rules regarding the filing of an appeal. As stated in that section, TEA will consider only an appeal that would result in a change to your school system's rating. If no appeal is submitted by your school system, your school system's preliminary rating becomes final on the 31<sup>st</sup> day after the preliminary ratings are released (September 9, 2025).

## **Final FIRST Rating and Required Reporting**

TEA will issue final ratings to school districts and charter schools after we have reviewed any submitted appeals. Final 2024–2025 School FIRST and Charter FIRST ratings are scheduled for release in November 2025.

Within two months of the release of your school system's final School FIRST or Charter FIRST rating, your school system must announce and hold a public meeting to distribute a financial management report that explains the school system's rating and its performance under each indicator for the current and previous year's ratings. If your school system does not submit an appeal, your school system may choose to use the date that the rating automatically became final as a basis for the two-month deadline to hold the public hearing.

The report also must provide the financial information described in 19 TAC \$109.1001(q)(3). TEA encourages school systems to include additional information in the report that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the school system's performance under one or more of the indicators.

The required newspaper notice, to inform taxpayers of the meeting, must be published no more than 30 days and no fewer than 10 days before the public meeting. Your district or charter school may combine the meeting with a scheduled regular meeting of the board of trustees or governing board, respectively.

For full requirements related to the report and meeting, see <a href="mailto:19TAC \$109.1001(q)">19 TAC \$109.1001(q)</a>. For a template that your school system can use in developing its financial management report:

- districts should see the TEA <u>School FIRST</u> web page and
- charter schools should see the TEA <a href="Charter FIRST">Charter FIRST</a> web page.

To access additional rules concerning financial accountability ratings, please see <u>19 TAC</u> <u>\$109.1001</u>.

### **Accreditation Status**

Please note that the TEA considers a school system's FIRST rating when assigning an accreditation status, as required by the accreditation status rules in 19 TAC §97.1055.

### **Contact for Further Information**

If you have questions about your school system's FIRST rating, you may send an email to <a href="mailto:FinancialAccountability@tea.texas.gov">FinancialAccountability@tea.texas.gov</a> or you may contact:

- Robin Aldridge at (512) 463-3940 or by email at <u>Robin.Aldridge@tea.texas.gov</u> for School FIRST
- Roger Seemion at (512) 936-3712 or by email at <u>Roger.Seemion@tea.texas.gov</u> for Charter FIRST