

**Deer Park Independent School District  
Deer Park, Texas**

**2004 Annual Financial  
Management Report – Schools FIRST**

**For the Year Ending August 31, 2003**



**Mr. Arnold Adair, Superintendent of Schools  
David Webb, Chief Financial Officer**

**DEER PARK INDEPENDENT SCHOOL DISTRICT  
SCHOOLS FIRST REPORT FOR 2002-03**

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## Introduction

During the 77<sup>th</sup> regular session of the Texas Legislature (2001), Senate Bill 218 was passed and Governor Perry signed it into law shortly thereafter. This law requires each school district to prepare an annual financial accountability report, effective no later than September 1 each year. TEA's original goal was to issue preliminary and final financial accountability ratings for the 2002-03 fiscal year in May and June of 2004, but these dates were postponed to June and July due to legislative and staffing issues at the Agency. The District's preliminary rating, which is included in this report, accurately reflects the final rating of "Superior Achievement".

Many business-related issues are covered in this report. The primary reporting tool, however, is the Financial Accountability Ratings Worksheet. This worksheet was developed by representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC) and the Texas Association of School Business Officials (TASBO). It is administered by TEA and calculated on information submitted to the Agency via our PEIMS submission each year and other documentation procured by TEA. The accuracy of PEIMS data has always been critical on the student side of the submission, and this reporting requirement adds a high degree of importance to our finance submission each year.

The worksheet consists of 21 criteria, each weighted equally with the exception of the Critical Indicators. A "No" response in criteria #1, #2 or #3 or to #4 and #5 together automatically result in a rating of Substandard Achievement, so these first five criteria are of utmost importance.

Currently, the District enjoys a rating of "***Superior Achievement***", scoring a perfect 21 out of a possible 21, or 100%, on the financial accountability worksheet. The worksheet itself and a discussion of its salient points follow.



## Financial Integrity Rating System of Texas

### 2002-2003 DISTRICT STATUS

| Name: <b>DEER PARK ISD</b>                 |                                                                                                                                                                                                                                                                 | County-District #: 101-908 |        |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------|
| Rating: <u><i>Superior Achievement</i></u> |                                                                                                                                                                                                                                                                 | Last Updated: 7/2/2004     |        |
| Indicators Answered YES: 21                |                                                                                                                                                                                                                                                                 | Indicators Answered NO: 0  |        |
| #                                          | Indicator Description                                                                                                                                                                                                                                           | Updated                    | Result |
| 1                                          | Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?                                                                                                                                                                    | 6/17/2004                  | Yes    |
| 2                                          | Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?                                                                                                             | 6/17/2004                  | Yes    |
| 3                                          | Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?                                                                              | 6/17/2004                  | Yes    |
| 4                                          | Was There An Unqualified Opinion in Annual Financial Report?                                                                                                                                                                                                    | 6/17/2004                  | Yes    |
| 5                                          | Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?                                                                                                                                                       | 6/17/2004                  | Yes    |
| 6                                          | Was The Percent Of Total Tax Collections (Including Delinquent) Greater Than 96%?                                                                                                                                                                               | 6/17/2004                  | Yes    |
| 7                                          | Did The Comparisons Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 4% Of Expenditures Per Fund Type?                                                                                                 | 6/17/2004                  | Yes    |
| 8                                          | Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$770.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 2%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$100,000, Then Answer This Indicator Yes) | 6/17/2004                  | Yes    |
| 9                                          | Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?                                                                                                                                                                                   | 6/17/2004                  | Yes    |
| 10                                         | Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Master Or Monitor Assigned)                                                                                                                             | 6/17/2004                  | Yes    |
| 11                                         | Was The Percent Of Operating Expenditures Expended For Instruction More Than 54%?                                                                                                                                                                               | 6/17/2004                  | Yes    |
| 12                                         | Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?                                                                                                          | 6/17/2004                  | Yes    |
| 13                                         | If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed?                                                                                                      | 6/17/2004                  | Yes    |
| 14                                         | Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount                                                                                                                                                                                    | 6/17/2004                  | Yes    |

|    |                                                                                                                                                                                                                                                                 |           |     |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
|    | Equal To Net Delinquent Taxes Receivables) In The General Fund = Or > 1:1? (If Deferred Revenues < Net Delinquent Taxes Receivable, Then Answer This Indicator Yes)                                                                                             |           |     |
| 15 | Was The Administrative Cost Ratio Less Than The Standard In State Law?                                                                                                                                                                                          | 6/17/2004 | Yes |
| 16 | Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?                                                                                                                                                                 | 6/17/2004 | Yes |
| 17 | Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?                                                                                                                                                              | 6/17/2004 | Yes |
| 18 | Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?                                                                    | 6/17/2004 | Yes |
| 19 | Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund, Then Answer This Indicator Yes) | 6/17/2004 | Yes |
| 20 | Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?                                                                                                                                                                              | 6/17/2004 | Yes |
| 21 | Were Investment Earnings In All Funds More Than \$15 Per Student?                                                                                                                                                                                               | 6/17/2004 | Yes |

#### DETERMINATION OF RATING

|                                   |                                                                                                                                                                                                                                                                                                                                                    |                             |     |                                   |     |                             |     |                                |                                          |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----|-----------------------------------|-----|-----------------------------|-----|--------------------------------|------------------------------------------|
| <b>A.</b>                         | Did The District Answer <b>No</b> To Indicators 1, 2, Or 3? Or Did The District Answer No To Both 4 and 5? If Answered <b>No</b> To Either, The District's Rating Is <b>Substandard Achievement</b> .                                                                                                                                              |                             |     |                                   |     |                             |     |                                |                                          |
| <b>B.</b>                         | Determine Rating By Applicable Range For The Number Of Indicators Answered <b>No</b> :                                                                                                                                                                                                                                                             |                             |     |                                   |     |                             |     |                                |                                          |
|                                   | <table border="1" style="width: 100%;"> <tr> <td><b>Superior Achievement</b></td> <td>0-2</td> </tr> <tr> <td><b>Above Standard Achievement</b></td> <td>3-4</td> </tr> <tr> <td><b>Standard Achievement</b></td> <td>5-6</td> </tr> <tr> <td><b>Substandard Achievement</b></td> <td>7+ Or <b>No</b> To One Default Indicator</td> </tr> </table> | <b>Superior Achievement</b> | 0-2 | <b>Above Standard Achievement</b> | 3-4 | <b>Standard Achievement</b> | 5-6 | <b>Substandard Achievement</b> | 7+ Or <b>No</b> To One Default Indicator |
| <b>Superior Achievement</b>       | 0-2                                                                                                                                                                                                                                                                                                                                                |                             |     |                                   |     |                             |     |                                |                                          |
| <b>Above Standard Achievement</b> | 3-4                                                                                                                                                                                                                                                                                                                                                |                             |     |                                   |     |                             |     |                                |                                          |
| <b>Standard Achievement</b>       | 5-6                                                                                                                                                                                                                                                                                                                                                |                             |     |                                   |     |                             |     |                                |                                          |
| <b>Substandard Achievement</b>    | 7+ Or <b>No</b> To One Default Indicator                                                                                                                                                                                                                                                                                                           |                             |     |                                   |     |                             |     |                                |                                          |

#### INDICATOR 16 & 17 RATIOS

| Indicator 16                       | Ranges |      | Indicator 17                       | Ranges |      |
|------------------------------------|--------|------|------------------------------------|--------|------|
|                                    | Low    | High |                                    | Low    | High |
| District Size - Number of Students |        |      | District Size - Number of Students |        |      |
| < 500                              | 7      | 22   | < 500                              | 4      | 14   |
| 500-999                            | 10     | 22   | 500-999                            | 5.5    | 14   |
| 1000-4999                          | 11.5   | 22   | 1000-4999                          | 6      | 14   |
| 5000-9999                          | 13     | 22   | 5000-9999                          | 6.5    | 14   |
| = > 10000                          | 13.5   | 22   | = > 10000                          | 6.6    | 14   |

## **Overview of the Worksheet**

### **Critical Indicators**

Criteria #1 through #5 are the critical indicators. Any “NO” response in this category is a signal indicator of fiscal distress. These five criteria revolve around the audit report, fund balance and the auditor’s findings. If General Fund Balance is greater than zero and the auditors issue a “clean” opinion, a District will pass the critical indicators. For the 2002-03 fiscal year, Deer Park ISD had a General Fund Balance of \$24.7 million and passed all other critical indicator criteria.

### **Fiscal Responsibility**

Criteria #6 through #10 concern fiscal responsibility. Deer Park ISD’s percentage of tax collections easily exceeds the minimum standard of 96%. For the year under review, taxes were collected at a rate of 103.16%. The District is essentially exempt from Criterion #8 due to its Chapter 41 tax wealthy status. Criteria #9 and #10 are very similar to the Critical Indicators and Deer Park easily passed these two on audit and full financial accreditation status.

### **Budgeting**

Items #11 through #14 concern budgeting, management and cash flow practices. The District budgets slightly less than 58% of its operating expenditures for direct classroom instruction, easily exceeding the 54% requirement. The District adequately funds its budget and capital projects. Most importantly, as addressed in Criterion #14, the District does not spend cash it cannot afford to spend or cannot recognize as revenue.

### **Personnel**

Items #15 through #17 address staffing patterns. For the 2002-03 year, the District’s administrative cost ratio was well below that of the State standard of 11.05% at 7.94%. This item is addressed in more detail later in the report. Items #16 and #17 deal with staffing patterns, specifically students to classroom teachers and students to total staff. A District must fall into a certain range to meet these criteria, which means understaffing or overstaffing can trigger a “NO” response. The District falls safely within the prescribed ranges for each criteria at 15.6 students per classroom teacher and 7.15 students per employee.

### **Cash Management**

The final four criteria deal with cash management practices. #18 concerns the fund balance figure and whether it is too high or low. Deer Park’s General Fund Balance for the 2002-03 year was very close to the TEA-Calculated optimum fund balance, so we were right on target in easily meeting this criterion. Item #19 deals with any decrease in General Fund Balance over two years. Since our fund balance increased, the District met this criteria easily also. Cash and

Investments were greater than \$0, so Criterion #20 was easily surpassed, and investment earnings were approximately \$68 per student, easily exceeding the minimum standard of \$15 per student set forth in Criterion #21.

### **Other Data Concerning the District's Operations**

The purpose of this section of the report is to discuss other aspects of our business operations not covered by the worksheet, but suggested by law as items of significance meriting discussion. We should view the worksheet as a good basic tool with which to assess our primary business practices. However, we should not stop there! We should always be working towards improvement in all aspects of our operation to maximize funds available to campuses for educational purposes and to our ancillary departments that support our campuses. Briefly, we review a number of business practices not covered by the Financial Accountability Worksheet directly.

#### **Financial Strength**

The state of Texas recommends we discuss financial strength in this report. This is a difficult topic to address because there are many measures of financial strength, some are better than others, and it's hard to tell which one is the best measure. For Deer Park ISD, we believe the most significant financial indicator of strength is our ability to meet our cash flow needs from September to December each year without borrowing money. In recent history, we have not had to borrow funds for operating purposes prior to tax collection season, which tells us that we have adequate financial strength and liquidity at this time.

#### **Operating Cost Management**

Only a small portion of our total General Fund expenditures are flexible or variable in nature. Salaries and benefits comprise the biggest expenditure each year, followed closely by our "Robin Hood" payment. Utility payments fluctuate greatly from year to year, but still make up our third largest single expenditure. Once you remove those three large expenditures from the equation, you are left with a small portion of our budget that retains some semblance of control for us. Supplies, materials, travel and training and a few contracted services comprise this remaining balance. We consider these costs to be our controllable operating costs. The chart below demonstrates how our total operating costs per student have increased only slightly over time.

#### **Operating Costs Comparison**

| <b><u>Year</u></b> | <b><u>Operating Costs<br/>Per Student</u></b> | <b><u>\$\$\$ Change<br/>from prv year</u></b> | <b><u>%%% Change<br/>from prv year</u></b> |
|--------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------|
| 1998-99            | \$6,086                                       | -                                             | -                                          |
| 1999-00            | \$6,333                                       | \$246                                         | 4.04%                                      |
| 2000-01            | \$6,354                                       | \$ 22                                         | 0.34%                                      |
| 2001-02            | \$6,436                                       | \$ 82                                         | 1.29%                                      |
| 2002-03            | \$6,354                                       | (\$ 82)                                       | (1.27%)                                    |

One measure the state of Texas uses to evaluate operating cost efficiency is the administrative cost ratio. Texas has a legal cap on administrative costs and a formula for calculating the percentage that is mandated by law. Simply, it takes administrative costs and divides them by

instructional costs to arrive at a percentage. A district's size determines their administrative cost limitation. Based on Deer Park ISD's size, our administrative cost limit is 11.05%. This criterion is covered in the worksheet for last year only, but since it deals with the sensitive issue of administrative costs, we felt it prudent to demonstrate how our ratio has actually hovered well below the cap over the past several years.

| <b>Administrative Cost Comparison</b> |                           |                               |                                  |
|---------------------------------------|---------------------------|-------------------------------|----------------------------------|
| <b><u>Year</u></b>                    | <b><u>State Limit</u></b> | <b><u>District Actual</u></b> | <b><u>\$\$\$ Under Limit</u></b> |
| 1998-99                               | 11.05%                    | 7.20%                         | \$ 1,720,168                     |
| 1999-00                               | 11.05%                    | 7.21%                         | \$ 1,722,603                     |
| 2000-01                               | 11.05%                    | 7.84%                         | \$ 1,387,039                     |
| 2001-02                               | 11.05%                    | 8.45%                         | \$ 1,333,614                     |
| 2002-03                               | 11.05%                    | 7.94%                         | \$ 1,448,681                     |

In a time of rising salaries and increased costs, Deer Park ISD has actually reduced administrative costs as a percentage of instructional costs for the year under review. The District has also maintained a sizeable gap between its actual administrative cost percentage and the maximum amount allowed by law. We have done so via a conscious and concerted effort to contain administrative costs while funneling every possible dollar to the campuses to serve the needs of the students first.

### **Personnel Management**

Second only to our students' welfare and education, attracting and retaining a quality teaching staff has been a priority with Deer Park ISD in the past decade. The Personnel Department of Deer Park ISD has as its central goal to maintain a competitive salary so that we can attract and retain quality professionals to our district. All areas of our compensation structure, from teachers to administrators to support personnel, are market-based and are geared to enable the district to be competitive in all areas of hiring. The District has a quality benefits program that compares very favorably with surrounding districts from a benefits coverage and employee contribution standpoint.

The requirements of the No Child Left Behind Act have dictated more stringent certification requirements than we have used in the past; and with very few exceptions that we are in the process of rectifying, we are staffed with "highly qualified" employees in all of our schools. The District will begin the 2004-2005 school year with a certified teacher in every classroom in the district.

### **Debt Management**

Of course, debt management is easier if local taxes are collected at a high collections rate consistently over the years. One of the worksheet criterion deals with this issue. Deer Park's collection rate for the past five years has consistently exceeded 99%. The District has managed its debt burden well over the years. Over the past 12 years, the District has issued new bonded debt four times and issued refunding bonds once. The District's debt burden as a percentage of

taxable values has remained consistently below 2%, which is a strong indication of financial health. The District's financial advisor has played a key role in this debt management process over this period of time.

### **Facility Acquisition and Construction Management**

The District patrons passed a bond authorization on May 16, 1998 for \$89 million by a 4 to 1 margin. These funds were to be spent on various renovation and construction projects and major maintenance of existing facilities. Currently, there are \$10 million in bonds remaining to be issued, with plans for issuance in late Fall 2004 or early Spring 2005. The last \$10 million will be spent on technology initiatives, remaining facility renovations and major maintenance of campuses.

### **Cash Management**

The worksheet addresses a couple of cash / investment issues, but only in a very basic manner. The worksheet criteria essentially require that a District have cash available, and that a minimal rate of return is earned. In truth, our investment and cash management program is much more complex.

First, we have a state and local board policy that requires us to invest funds with six objectives in mind. In order of importance, they are: suitability, safety, liquidity, marketability, diversity and yield.

Suitability, safety and liquidity are almost redundant. If a security is suitable and safe, it's probably pretty liquid. If it's liquid and suitable, it's safe. State and local policy specify what types of securities we can purchase, and virtually all of them fall within these restrictions. We do not purchase securities that do not fall within our interpretation of these policy restrictions.

There are a few investments that are legal for us to purchase, but they aren't very marketable. Consequently, we don't buy them. Bonds of the state of Israel are a good example. We strive to maintain diversity in our portfolio, balancing cash in our bank accounts with money invested in two different investment pools. To enhance the diversity of our portfolio this coming year, we will directly purchase some government and government agency issued securities when tax collections begin to arrive in December 2004 through February 2005.

Additionally, we benchmark our portfolio's yield each month to the Federal Funds rate, the jumbo CD rate and 90-day Treasury Bill rate. We use these as a comparison only to determine if our portfolio is yielding a comparable market rate of return each month. A monthly Cash & Investment Report is included in each month's Board of Trustees meeting agenda for review.

Lastly, we perform a quarterly review of investment activity and performance, submitting these quarterly reports to the Board of Trustees for review, as required by law.

### **Tax Collections**

Criterion #2 discusses tax collections for the year under review. As important as this criterion is from year to year, we felt additional discussion was warranted. The minimum criterion is 96%, which our District has exceeded each year for the past five years.

| <b><u>For Year Ended</u></b> | <b><u>Total Tax Collections</u></b> |
|------------------------------|-------------------------------------|
| 1999                         | 101.09%                             |
| 2000                         | 100.44%                             |
| 2001                         | 100.09%                             |
| 2002                         | 102.08%                             |
| 2003                         | 103.16%                             |

Total tax collections include delinquent collections from previous years, which is why the District can collect in total more than the current year's levy. Deer Park ISD has a relatively low delinquent tax balance for a district our size, which is a positive sign of financial strength and stability in the community.

### **Budgetary Planning & Financial Allocations**

The District's budget process begins usually in January each year. During the first month of planning, budget allocations are developed for each campus and department, a budget manual is updated for the new year and distributed to all budget managers. Most school districts have some rational basis for allocating funds to campuses and operating departments. In Deer Park ISD, we allocate funds to campuses based on their number of students. In preparation for the 2005-06 fiscal year, we will enhance our allocation process to include such variables as types of students, student mobility rates and attendance rates. Support departments get funds based on previous year's budgets adjusted (up or down) for future years' needs. In March, we begin attempting to calculate state and local tax revenues and the budget starts to take on some form. April is the month we are first able to give the Board and the public a preliminary view of how the next year's budget looks. In odd-numbered years, the legislature is in session, and that complicates and delays our budgeting process. The optimal time for making a public salary decision is May, before teachers are off for the summer, although only a few districts are able to do so at that time. Summer is busy fine-tuning the budget and finalizing revenue estimates in time for August adoption by the Board of Trustees.

Our budget process is a proactive and highly participatory one, and campuses and departments are given a great deal of discretion as to how to budget their funds. After the budget is adopted, each campus or department is given equal latitude regarding amending their budget when their plans or needs change. This decentralized style of budget management is required by the state of Texas to a certain degree. We call it site-based decision making. It's our version of campus empowerment. Most importantly, it is a system that works best in the long run for all of us by allocating resources where they are needed, even when those needs change.

### **Other Issues**

The District is always looking for new and innovative ways to improve our overall business management practices. Occasionally we codify new ideas into formal Board goals. More often, we make changes to our practices based on what we learn from our school business peers, who struggle daily with many of the same issues as us. The Texas Association of School Business Officials (TASBO) has provided many of our learning opportunities through various workshops, clinics and conferences during the year. Our external auditors also provide us with an annual check-up on our practices and procedures, suggesting improvements during the course of their audit procedure.

For a number of years now, Texas has been a leader in data management, collection and quality of comparability. Texas' Public Education Information Management System (PEIMS) is far ahead of other state's data collection and comparability modules for financial, student, staffing, attendance and academic achievement data. The quality of the financial data collected in PEIMS has taken on a new significance now that it is incorporated into one of the FIRST criteria, covered earlier in the report. Financial data submitted via the PEIMS system must closely match that in the audit report in order to satisfy the requirement in criterion #7. We will continue to pay close attention to our data submissions in recognition of the importance of this state requirement.

### **Summary**

Although it is difficult to find fault with a perfect score on this important ratings worksheet, we know we always have some room for improvement. We will continually seek improvement in our practices and procedures. We will adapt to changing circumstances and strive to overcome obstacles in pursuit of our mission – maximizing educational opportunities for all students. The Deer Park ISD School Board, administration and the community have worked hard to maintain and improve the financial position and condition of the District over the past 10 years, despite the continued and crippling effects of the Robin Hood school finance plan. This report demonstrates our improvement to all concerned.



EDUCATION CODE  
SUBTITLE H. PUBLIC SCHOOL SYSTEM ACCOUNTABILITY  
CHAPTER 39. PUBLIC SCHOOL SYSTEM ACCOUNTABILITY  
SUBCHAPTER I. FINANCIAL ACCOUNTABILITY

§ 39.201. DEFINITIONS. In this subchapter:

- (1) "Parent" includes a guardian or other person having lawful control of a student.
- (2) "System" means the financial accountability rating system.

Added by Acts 2001, 77th Leg., ch. 914, § 1, eff. Sept. 1, 2001.

§ 39.202. DEVELOPMENT AND IMPLEMENTATION. (a) The commissioner shall, in consultation with the comptroller, develop and implement a financial accountability rating system for school districts in this state.

(b) The system must include uniform indicators adopted by the commissioner by which to measure a district's financial management performance.

Added by Acts 2001, 77th Leg., ch. 914, § 1, eff. Sept. 1, 2001.

§ 39.203. REPORTING. (a) The commissioner shall develop, as part of the system, a reporting procedure under which:

(1) *each school district is required to prepare and distribute an annual financial management report*, and

(2) *the public is provided an opportunity to comment on the report at a hearing.*

(b) The annual financial management report must include:

(1) *a description of the district's financial management performance based on a comparison, provided by the agency, of the district's performance on the indicators* adopted

under Section 39.202(b) to:

(A) state-established standards; and

(B) the district's previous performance on the indicators; and

(2) any descriptive information required by the commissioner.

(c) *The report may include:*

(1) information concerning the district's:

(A) financial allocations;

(B) tax collections;

- (C) financial strength;
- (D) operating cost management;
- (E) personnel management;
- (F) debt management;
- (G) facility acquisition and construction management;
- (H) cash management;
- (I) budgetary planning;
- (J) overall business management;
- (K) compliance with rules; and
- (L) data quality; and

(2) *any other information the board of trustees determines to be necessary or useful.*

(d) *The board of trustees of each school district shall hold a public hearing on the report.* The board shall give notice of the hearing to owners of real property in the district and to parents of district students. In addition to other notice required by law, notice of the hearing must be provided:

- (1) to a newspaper of general circulation in the district; and
- (2) through electronic mail to media serving the district.

(e) After the hearing, the report shall be disseminated in the district in the manner prescribed by the commissioner.

Added by Acts 2001, 77th Leg., ch. 914, § 1, eff. Sept. 1, 2001.

