

TITLE 19 EDUCATION
PART 2 TEXAS EDUCATION AGENCY
CHAPTER 109 BUDGETING, ACCOUNTING, AND AUDITING
SUBCHAPTER AA COMMISSIONER'S RULES CONCERNING
 FINANCIAL ACCOUNTABILITY RATING SYSTEM
RULE §109.1005 **Reporting**

(a) Each school district is required to report information and financial accountability ratings to parents and taxpayers by implementing the following reporting procedures.

(1) Each school district is required to prepare and distribute an annual financial management report in accordance with subsection (b) of this section.

(2) The public must be provided an opportunity to comment on the report at a public hearing in accordance with subsection (c) of this section.

(b) The annual financial management report prepared by the school district must include:

(1) a description of the district's financial management performance based on a comparison, provided by the Texas Education Agency (TEA), of the district's performance on the indicators established by the commissioner of education and reflected in §109.1002 of this title (relating to Financial Accountability Ratings). The report will contain information that discloses:

(A) state-established standards; and

(B) the district's financial management performance under each indicator for the current and previous years' financial accountability ratings;

(2) any descriptive information required by the commissioner of education, including:

(A) a copy of the superintendent's current employment contract. The school district may publish the superintendent's employment contract on the school district's Internet site in lieu of publication in the annual financial management report;

(B) a summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member, including transactions resulting from use of the school district's credit card(s) to cover expenses incurred by the superintendent and each board member. The summary schedule shall separately report reimbursements for meals, lodging, transportation, motor fuel, and other items (the summary

schedule of total reimbursements is not to include reimbursements for supplies and materials that were purchased for the operation of the school district);

(C) a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule shall separately report the amount received from each entity;

(D) a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the school district's executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district in the prior fiscal year, and gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment-related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member; and

(E) a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district. This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members; and

(3) any other information the board of trustees of the district determines to be useful.

(c) The board of trustees of each school district shall hold a public hearing on the annual financial management report within two months after receipt of a final financial accountability rating (including a final rating of Suspended--Data Quality). The public hearing is to be held at a location in the district's facilities. 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 once a week for two weeks prior to holding the public meeting, providing the time and place where the hearing is to be held. The first notice in the newspaper may not be more than 30 days prior to or less than

14 days prior to the public meeting. If there is not a newspaper published in the county in which the district's central administration office is located, then the notice is to be published in the county nearest the county seat of the county in which the district's central administration office is located; and

(2) through electronic mail to media serving the district.

(d) At the hearing, the annual financial management report shall be disseminated to the district's parents and taxpayers that are in attendance.

(e) The annual financial management report is to be retained in the district for at least a three-year period after the public hearing and will be made available to parents and taxpayers upon request.

(f) A corrective action plan is to be filed with the TEA by each school district that received a rating of Substandard Achievement or Suspended--Data Quality. The corrective action plan, which is to be prepared in accordance with instructions from the commissioner of education, is to be filed within one month after the district's public hearing. The commissioner of education may require certain information in the corrective action plan to address the factor(s) that may have contributed to a district's rating of Substandard Achievement or Suspended--Data Quality.

Source Note: The provisions of this §109.1005 adopted to be effective October 20, 2002, 27 TexReg 9572; amended to be effective **August 13, 2006**, 31 TexReg 6215

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