

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

Regular Meeting of the Board of Trustees

April 28, 2025



BOARD: Action

SUBJECT: Consideration and possible approval of notifying TEA of intent to change the fiscal year start date from September 1 to July 1, effective July 1, 2026

BOARD POLICY: CE (Legal)

DISTRICT GOAL: Brazosport ISD will exercise fiscal responsibility to ensure financial strength and provide the resources to equip and maintain quality facilities and educational programming.

FISCAL NOTE: N/A

Background Information:

- Education Code Sec. 44.0011 states that the fiscal year of a school district begins on July 1 or September 1 of each year, as determined by the board of trustees of the district.
- Financial Accountability System Resource Guide section 1.1.5.1 further explains the process districts must undergo when changing the start date of their fiscal year.
 - The budget will be adopted on a 12-month basis for the September 1- August 31 period (two months beyond the July 1 start date of the following fiscal year).
 - Financial data reported to the public for tax rate decision-making processes must be on a 12-month basis for the period beginning September 1 and ending August 31 to support the calculation of a tax rate for the fiscal year for which the start date has been changed to July 1. This requirement is necessary to determine a tax rate sufficient to maintain the same level of maintenance and operations revenue and pay debt service for the fiscal year for which the start date has been changed to July 1 and ending June 30.
 - Financial data prepared for the board of trustees for legal budget adoption purposes will be on a 10-month basis for the fiscal year beginning September 1 and ending June 30, and must be supplemented with additional financial data prepared on a 12-month basis for information purposes and to support data reported to the public for tax rate decision-making processes.
 - Financial data reported in the annual financial report will be prepared on a 10-month basis in all financial statements and exhibits for the fiscal period beginning September 1 and ending June 30 and will include an additional schedule containing supplemental

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financial data reporting tax collections for the 12-month period beginning September 1 and ending August 31.

- For all fiscal year periods following the first year of implementation of a July 1 fiscal year start date, all financial data will be reported on a 12-month basis spanning July 1 through June 30.

Administrative Considerations:

- The administration considered several factors in proposing the change to the fiscal year. One key impact of this change would be a one-time increase in our fund balance, as we would be operating on a 10-month cycle instead of the usual 12. Additionally, campuses would benefit by being able to purchase materials and supplies earlier, rather than waiting until the new budget takes effect on September 1. Aligning our fiscal year with that of other government agencies, particularly those managing federal grants that begin on July 1, is another significant advantage.
- The administration recommends approval to notify the Texas Education Agency of the intent to change the fiscal year start date from September 1 to July 1, effective July 1, 2026.

Communication Deployment:

- Board Meeting minutes

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Respectfully submitted,

Ludivina Cansino
Chief Financial Officer