

# P R E S E N T A T I O N I T E M

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**Subject:** Public Hearing on Financial Integrity Rating System of Texas (FIRST) Report

**Presentation:** The FIRST rating system was created by the 77<sup>th</sup> Legislature to develop a financial accountability rating system for school districts in Texas. The system is a model for increased financial management efficiency in the public schools of the State. The primary goal of the FIRST system is to improve the management of the school district's financial resources.

The system requires each school district to submit financial data through the PEIMS system, which is used to rate the District according to defined indicators. The ratings are based upon an analysis of staff and student data for the 2014-2015 fiscal year. The ratings are "superior", "above standard", "meets standard", and "substandard".

School districts are required to advertise and hold a public hearing to report their financial accountability ratings to the public, parents, and taxpayers. Each district is required to prepare an annual financial management report for the public hearing. Starting with the 2007 calendar year, the financial management report must contain certain disclosures, in accordance with Title 19 Texas Administrative Code Chapter 109, Subchapter AA.

The report follows this introduction. The Hillsboro ISD has received a rating of "superior achievement" – the State's highest possible rating for financial accountability.