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Robert Scott
Commissioner

IMPORTANT
ACCREDITATION
INFORMATION

June 10, 2010

TO THE SUPERINTENDENT ADDRESSED:

Subject: Official Notification of the 2010 Preliminary School FIRST Rating

The purpose of this letter is to inform you of your school district's preliminary 2010 School FIRST (Financial Integrity Rating System of Texas) rating. Senate Bill (SB) 218, which was passed during the 77th Texas Legislature, Regular Session, 2001, authorized the implementation of a financial accountability rating system, which officially is referred to as School FIRST. The school district's School FIRST rating is based upon an analysis of staff and student data reported for the 2008-2009 school year as well as budgetary and actual financial data for the 2009 fiscal year (the fiscal period ended June 30, 2009 or August 31, 2009, depending upon the ending date of the school district's fiscal year).

Please carefully review your district's preliminary School FIRST rating and the data supporting the 22 indicators. The ratings and data that were analyzed by the Texas Education Agency's (TEA) automated process for generating School FIRST ratings are accessible by the district at <https://seguin.tea.state.tx.us/apps/logon.asp>. If the district believes that its rating was based on a data error solely attributable to the TEA's review of the data for any of the 22 indicators, the district may submit a written appeal with supporting evidence to the Division of Financial Audits by **July 12, 2010**. Any errors by the district in recording data or submitting data through the Public Education Information Management System (PEIMS) will not constitute a valid basis for appeal. **Please review 19 Texas Administrative Code (TAC) §109.1002(g) for the rules regarding filing an appeal.** Only appeals that would result in a change to a district's rating will be considered. Final ratings will be issued to school districts after the TEA has had an opportunity to properly review any appeals submitted. It is anticipated that the final 2010 School FIRST ratings will be distributed to school districts on or about **August 16, 2010**.

In December 2007, TEA adopted 19 TAC Chapter 97, Planning and Accountability, Subchapter EE, Accreditation Status, Standards, and Sanctions, in response to the requirements of House Bill (HB) 1, of the 79th Texas Legislature, Third Called Session, 2006. This subchapter, which became effective in January 2008, defined the accreditation statuses of Accredited, Accredited-Warned, Accredited-Probation, and Not Accredited-Revoked and stated how accreditation statuses would be determined and assigned to school districts. Under the authority of the Texas Education Code (TEC) and

adopted rules, accreditation statuses have been assigned to districts in 2007-2008, 2008-2009, and 2009-2010. At the present time, 19 TAC 97.1055 is undergoing revision to address the requirements of HB 3, 81st Texas Legislative Session, 2009. Please note that, under the originally adopted rules and in subsequent rule revisions, TEA will take into consideration a district's School FIRST rating when assigning an accreditation status.

HB 3 of the 81st Legislative Session, 2009 also amended TEC 39.082, stating that the rating system may not include an indicator that requires a school district to spend at least 65% or any other specified percentage for instructional purposes. As a result, two indicators were removed and the indicators were renumbered. For additional details, refer to 19 TAC §109.

Additionally, please note that a district's final School FIRST rating may impact its special education determination status as issued by the TEA Division of Individuals with Disabilities Education Act (IDEA) Coordination under the requirements of 34 Code of Federal Regulations (CFR) §300.608(a).

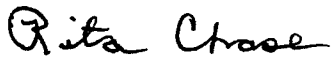
Within two months after receipt of its final School FIRST rating, each school district must announce and hold a public meeting to distribute a financial management report that explains the district's rating and its performance under each of the 22 indicators for the current and prior year. The first of two required published newspaper notices, to inform the taxpayers of the meeting, may not be more than 30 days prior to or less than 14 days prior to the public meeting, in accordance with 19 TAC §109.1005. The public meeting to present the School FIRST rating may be combined with a scheduled regular meeting of the board of trustees. At the public meeting, the district should review the disclosures that must be included in the financial management report. The district will be required to report on reimbursements to the superintendent and board of trustees members, for the 2008-2009 school year, and either post on the district's website or supply in the financial management report the current superintendent's contract. Information regarding these disclosures can be found in 19 TAC §109.1005 or on the TEA website at <http://ritter.tea.state.tx.us/rules/tac/chapter109/ch109aa.html>. Additionally, the TEA has posted on its website a template that school districts may use to help facilitate the compilation of this information. The template can be found at the following web address: <http://www.tea.state.tx.us/index4.aspx?id=3864>. The district is encouraged to provide in the report additional information that will be beneficial to taxpayers, especially information explaining special circumstances, if any, which may have affected the district's performance under one or more of the indicators.

The TEA gratefully acknowledges the generous assistance provided by the Texas Comptroller of Public Accounts, and school district and education service center officials in the ongoing implementation of School FIRST. The TEA also appreciates the continued assistance provided by the Texas Association of School Business Officials,

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Texas Association of School Boards, and other professional associations. If you have questions about your district's School FIRST rating, please contact Janice Hollingsworth or me in the Division of Financial Audits at (512) 463-9095.

Sincerely,

A handwritten signature in cursive script that reads "Rita Chase".

Rita Chase
Director
Financial Audits Division

cc: Education Service Center (ESC) Executive Directors
Laura Taylor, Associate Commissioner, Department of Accreditation