

Notice of Texas Academic Performance Report Hearing
The Board of Trustees
Fort Bend Independent School District

Monday, December 4, 2023

This is notice that the Fort Bend Independent School District's Texas Academic Performance Report Hearing will be held on Monday, December 4, 2023, beginning at 5:30 PM in the Board Room of the Fort Bend ISD Administration Building, 16431 Lexington Blvd., Sugar Land, TX 77479. Members of the public may view the live stream of the meeting at following address:

<https://www.fortbendisd.com/October19LIVESTREAM>.

The agenda packet for the meeting can be found here:

<https://meetings.boardbook.org/Public/Organization/649>.

1. Call to order

2. Information

A. 2022-23 FIRST Rating

2

3. Public Comment

4. Adjournment

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. [See BEC (LEGAL)]

The following Fort Bend ISD Goals may be referenced in agenda items included in this document:

Goal 1: Fort Bend ISD will provide rigorous and relevant curriculum and deliver instruction that is responsive to the needs of all students.

Goal 2: Fort Bend ISD will provide a positive culture and climate that provides a safe and supportive environment for learning and working.

Goal 3: Fort Bend ISD will recruit, develop, and retain high quality teachers and staff.

Goal 4: Fort Bend ISD will engage students, parents, staff, and the community through ongoing communication, opportunities for collaboration and innovation, and partnerships that support the learning community.

Goal 5: Fort Bend ISD will utilize financial, material, and human capital resources to maximize district outcomes and student achievement.

For: Fort Bend ISD Board of Trustees
Date: December 4, 2023
Action: Information: School FIRST Report and Public Hearing
References: Board Policy CFA (Legal)
Board Policy CFA (Local)
Department: Business and Finance

Recommendation

Fort Bend Independent School District will present the District's rating for the 2022-23 school year under the School Financial Integrity Rating System of Texas (FIRST) as part of the December 4, 2023 Board meeting.

Summary

The Financial Integrity Rating System of Texas (School FIRST) is the State's financial accountability rating system. This is the 21st year of FIRST reporting (developed by the Texas Education Agency), which was originally mandated by Senate Bill 875 of the 76th Texas Legislature in 1999 (codified as 19 TAC Chapter 109, Subchapter AA). The primary goal of School FIRST is to ensure quality performance in the management of school districts' financial resources.

The FIRST ratings are as follows: "A – Superior Achievement," "B – Above Standard Achievement," "C – Standard Achievement," or "F – Substandard Achievement."

For the 2022-23 rating year (based on 2021-22 data), Fort Bend ISD achieved the highest rating of "A – Superior Achievement", with a score of 96 points on a 100-point scale. Attached is the School FIRST rating worksheet outlining the District's financial management performance based on comparison with 20 indicators established by the Commissioner of Education.

As part of the public December 4, 2023 Board meeting, the Finance team will present the School FIRST annual financial management report and required disclosures. District parents, taxpayers, and the public in attendance will have an opportunity to comment on the report. In accordance with 19 TAC §109.1001(o)(4), the District published two public notices of the hearing in the November editions of both the Fort Bend Independent and the Fort Bend Star.

Submitted by:

Christie Whitbeck
Superintendent of Schools

Bryan Guinn
Chief Financial Officer



School First Report - 2022-2023

Board Update and Public Hearing

MONDAY, December 4, 2023

Agenda:

Overview of School FIRST

Fort Bend ISD's Performance

Other Required Disclosures

Financial Integrity Rating System of Texas

- ❑ Developed by TEA in 1999
- ❑ Measures the Performance of School District Financial Resources
- ❑ Ratings based on 20 indicators established by the Commissioner of Education
- ❑ 21th Year of **FIRST** Reporting

First Rating Matrix

2022-23 Rating Year (2021-22 Data)	
# of Indicators	20
Ratings	Points
Superior (A)	90 -100
Above Standard (B)	89 - 89
Meets Standard (C)	70 - 79
Substandard (F)	< 70

FIRST Critical Indicators

Failure of any critical indicator = automatic failure on FIRST:

- Annual financial report filed by deadline to TEA
- Unmodified opinion on annual financial audit report
- Compliance with payment terms of all bonded debt
- Timely payments to state and federal agencies
- Positive unrestricted net position in governmental activities (not scored)

2022-23 Indicators Not Scored for FIRST

- Indicator 5 – Is unrestricted net asset position positive
- Indicator 10 – Budgeted to Actual Revenues 3 year comparison
- Indicator 14 – Student to Staff Ratio over 3 year period
- Indicator 15 - ADA within allotted range of district's biennial pupil projection submitted to TEA due to COVID-19

FBISD 2022-23 FIRST Performance

Indicator 1

Was the Annual Financial Report (ACFR) filed within one month after November 28th deadline?

YES¹⁰

Indicator 2

Was there an unmodified opinion on the financial statements as a whole?

YES

FBISD 2022-23 FIRST Performance

Indicator 3

Was the district in compliance with all payment terms for all debt agreements at fiscal year end?

YES

11

Indicator 4

Did the district make timely payments to the IRS, TRS and TWC and other governmental agencies? (No warrant holds)

YES

FBISD 2022-23 FIRST Performance

Indicator 5

Net position greater than zero? (*not evaluated*)

N/A

12

Indicator 6

Was average change in assigned and unassigned fund balance over 3 years less than 25% decrease or it fund balances exceed 75 days of operational expenditures?

Ceiling
Passed

FBISD 2022-23 FIRST Performance

Indicator 7

Was number of days of cash on hand and investments in General Fund sufficient to cover operational expenditures?

10

13

Indicator 8

Was current assets to current liabilities ratio sufficient to cover short-term debt?

6

FBISD 2022-23 FIRST Performance

Indicator 9

Did General Fund revenues equal or exceed expenditure? If not, was number of days of cash on hand greater than or equal to 60 days?

10

14

Indicator 10

Did the district average less than 10% variance when comparing budgeted revenues to actual revenues for last 3 fiscal years? *(not evaluated)*

10

FBISD 2022-23 FIRST Performance

Indicator 11

Ratio of long-term liabilities to total assets for district sufficient to support long-term solvency?

10

15

Indicator 12

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

10

FBISD 2022-23 FIRST Performance

Indicator 13

Was administrative cost ratio equal or less than threshold ratio?

10

16

Indicator 14

Did district not have a 15% decline in students to staff ratio over 3 years? *(not evaluated)-max score provided*

10

FBISD 2022-23 FIRST Performance

Indicator 15

Was district's ADA within the allotted range of districts biennial pupil projection submitted to TEA? *(not evaluated)-max score provided*

5

17

Indicator 16

Did the PEIMS data compare to the districts ACF results in a total variance of less than 3%?

Ceiling
Passed

FBISD 2022-23 FIRST Performance

Indicator 17

Did external auditor report that AFR was free of any instance of material weakness in internal controls?

Ceiling
Passed

18

Indicator 18

Did external auditor indicate AFR was free of any instance of material noncompliance for grants, contracts and laws?

10

FBISD 2022-23 FIRST Performance

Indicator 19

Did district post the required financial information on its website in accordance with Government code, Texas Education Code etc?

5

19

Indicator 20

Did school board members discuss the district's property values at a board meeting within 120 days before adopting the budget?

Ceiling
Passed

FBISD 2022-23 FIRST Performance

96

Superior Achievement

2022-23 School First Reporting

- Reimbursements Received by the Superintendent and Board Members For the Twelve-Month Period Ending June 30, 2022

Description of Reimbursements	Superintendent	Acting Supt.	Board Members			
	Dr. Whitbeck	Sayavedra	Dae	Garcia	Gilliam	Hamilton
Meals	\$ 1,149.17	\$ -	\$ 64.54	\$ -	\$ -	\$ -
Lodging	\$ 3,840.35	\$ -	\$ 390.22	\$ 675.00	\$ 1,686.15	\$ 675.00
Transportation	\$ 1,626.06	\$ 217.76	\$ 202.00	\$ -	\$ 396.44	\$ 234.59
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 21,062.23	\$ 4,686.00	\$ 2,808.00	\$ 75.00	\$ 2,793.00	\$ -
Total	\$ 27,677.81	\$ 4,903.76	\$ 3,464.76	\$ 750.00	\$ 4,875.59	\$ 909.59

Description of Reimbursements	Board Members					TOTAL
	Hanan	Malone	Rice	Rosenthal	Williams	
Meals	\$ 104.94	\$ 30.86	\$ -	\$ 122.68	\$ -	\$ 1,472.19
Lodging	\$ 1,876.21	\$ 1,595.04	\$ -	\$ 931.16	\$ -	\$ 11,669.13
Transportation	\$ 1,456.04	\$ 1,607.11	\$ 820.47	\$ 1,389.89	\$ -	\$ 7,950.36
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 3,403.00	\$ 2,798.00	\$ 1,325.00	\$ 2,600.00	\$ 1,675.00	\$ 43,225.23
Total	\$ 6,840.19	\$ 6,031.01	\$ 2,145.47	\$ 5,043.73	\$ 1,675.00	\$ 64,316.91

2022-23 School First Reporting

Superintendent's Contract - available online at <https://www.fortbendisd.com/Page/143083>
(in accordance with 19 TAC §109.1001(o)(3)(B)(i))

Questions



F O R T B E N D I S D

16431 Lexington Blvd.

Sugar Land, TX 77479

281-634-1000

www.fortbendisd.com

User: Kelly Schlacks
 User Role: District

RATING YEAR DISTRICT NUMBER



Financial Integrity Rating System of Texas

2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

Name: FORT BEND ISD(079907)	Publication Level 1: 8/4/2023 12:02:16 PM
Status: Passed	Publication Level 2: 8/7/2023 3:01:39 PM
Rating: A = Superior Achievement	Last Updated: 8/7/2023 3:01:39 PM
District Score: 96	Passing Score: 70

#	Indicator Description	Updated	Score
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	7/13/2023 6:19:02 PM	Yes
2	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	7/13/2023 6:19:02 PM	Yes
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	7/13/2023 6:19:02 PM	Yes
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)	7/13/2023 6:19:02 PM	Yes Ceiling Passed
5	This indicator is not being evaluated.		
			1 Multiplier Sum
6	Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and	7/13/2023 6:19:02 PM	Ceiling Passed

	<u>highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>		
7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	7/13/2023 6:19:02 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	7/13/2023 6:19:02 PM	6
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.</u>	7/13/2023 6:19:02 PM	10
10	This indicator is not being evaluated.		10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.)</u>	7/13/2023 6:19:02 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	7/13/2023 6:19:02 PM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	7/13/2023 6:19:02 PM	10
14	This indicator is not being evaluated.		10
15	This indicator is not being evaluated.		5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	7/13/2023 6:19:02 PM	Ceiling Passed
17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	7/13/2023 6:19:02 PM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	7/13/2023 6:19:02 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	7/13/2023 6:19:02 PM	5
20	<u>Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?</u>	7/13/2023 6:19:02 PM	Ceiling Passed
			96 Weighted Sum
			1 Multiplier

	Sum
	(100 Ceiling)
	96 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70
<p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

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