

REGION ONE ESC

Finance Notes

Finance Advisory Council
Friday, September 16, 2016



2016 – 2017 Monthly Reminders

September 2016

Administration & Leadership

- Post Current accountability ratings, current TAPR Report and current School Report Card on district website by 10th day of the school year
- Publish name, address, phone number of Title IX Coordinator and complaint procedures
- Prepare board training calendar*

Finance

- Prepare for annual financial audit September 1 FY
- Distribute tax statements
- Approve Independent Audit Report*
- Calculate State Aid using end-of-first-six-weeks student data
- Review student attendance figures as compared to prior year and budget projections
- Investment policies annual review
- Review pledged securities
- Post metered amounts of electricity, water and gas consumption for which the district is required to pay and aggregate amounts of those services.

***REQUIRES BOARD APPROVAL**

2016 – 2017 Monthly Reminders

October 2016

Accountability and Assessment

- Review PEIMS data for all program areas prior to snapshot data (PBM and other accountability areas)

Administration and Leadership

- Receive Texas Academic Performance Report (TAPR) in November (public hearing of districts annual report required within 90 days of receiving)

Finance

- Review student attendance figures as compared to prior year and budget projections
- Calculate State Aid using end-of-first-six-weeks student data

School Board

- Superintendent's formative evaluation

Texas Student Data System/PEIMS

- Extended year (15-16) PEIMS data available to customers on October 20th
- PEIMS snapshot (as of) date on October 28th (budget, staff, enrollment, graduation, dropout, leaver and program participation)

Classroom Connectivity Initiative

On April 15, 2016 TEA announced the partnership with the non-profit EducationSuperHighway to launch the Classroom Connectivity Initiative. The Classroom Connectivity Initiative is focused on achieving three goals:

Increase the number of campuses that meet minimum bandwidth targets (100 kbps / student)

Increase the number of campuses where WiFi is accessible in all classrooms

Drive the cost of broadband down (to under \$3 / Mbps)

Classroom Connectivity Initiative (cont'd)

The EducationSuperHighway team will be holding one-hour webinar will explain how you can take advantage of upgrade resources available to schools across the state at no cost to the district.

**Tuesday, September
13th at 11:00 am**

**Wednesday,
September 14th at
1:00 pm**

**Monday, September
19th at 2:00 pm**

**Tuesday, September
20th at 3:00 pm**

(details on how to register for the webinars listed on TEA letter linked in the September 16, 2016 Finance Advisory Council announcements)

FACT SHEET: Supplement-not Supplant under Title I of the Every Student Succeeds Act

- August 31, 2016, the U.S. Department of Education (the Department) released proposed regulations to implement the requirement in Title I of the Elementary and Secondary Education Act (ESEA), as recently revised by the Every Student Succeeds Act (ESSA), that federal funds must supplement, and may not supplant, state and local funds.
- Demonstrate compliance in a number of ways (See document)
 - A methodology selected by the district that ensures the per pupil funding in each title 1 schools is at least as much as the average per pupil funding in non-title 1 schools within the district

FACT SHEET: Supplement-not Supplant under Title I of the Every Student Succeeds Act

- The proposal provides additional time for districts that cannot demonstrate compliance by the statutory deadline in ESSA: December 2017.
- Those districts must submit to their state a plan in December 2017 for how they will fully comply beginning in the 2019-2020 school year.
- The full text of the proposed regulation is available here (<http://www2.ed.gov/policy/elsec/leg/essa/snsnprm83016.pdf>), and is on track to be published in the Federal Register on Tuesday, September 6. The Department welcomes comments on these proposed regulations during the 60 day public comment period.

House Bill 2610 Funding Implications for the 2016-2017 School Year

The 84th Legislature amended Texas Education Code (TEC), §25.081, and created TEC, §25.0812, in order to move from a school year where districts were required to provide 180 days of instruction to a school year where districts are required to provide 75,600 minutes of instruction. This TAA addresses funding for the 2016–2017 school year only.

Funding

Except for half-day prekindergarten programs, FSP funding will be proportionately reduced for attendance generated on any campus that does not meet the 75,600 minutes of operation for the school year without an approved waiver from the TEA. This funding reduction will be based on your submitted campus calendars.

If your district or charter school has applied for and received approval for waived minutes of instruction, then the sum of operational and waiver minutes must be at least 75,600.

Questions related to the state funding implications of this mandate should be directed to Al McKenzie, Director of State Funding, at (512) 463-9238 or at Al.McKenzie@tea.texas.gov.

*House Bill 2610 Funding Implications
for the 2016-2017 School Year (cont'd)*

Student Attendance

For a student to be eligible for full-day funding, the student must be offered and provided at least 240 minutes of instruction (classroom) time.

For student to be eligible for half-day funding, the student must be offered and provided at least 120 minutes of instruction (classroom) time.

There is no change to the way student attendance is taken.

House Bill 2610 Funding Implications for the 2016-2017 School Year (cont'd)

Waivers

School districts must provide 75,600 minutes of operation beginning with the 2016–2017 school year.

Dropout recovery campuses (charters, alternative education programs and disciplinary alternative education programs) operating with less than 75,600 minutes in prior years (and continuing with the same number of operational minutes in 2016–2017) will need to apply for a one-time waiver for the 2016–2017 school year to receive full funding.

Half-day prekindergarten programs operating with less than 37,800 minutes in prior years (and continuing with the same number of operational minutes in 2016–2017) will automatically be granted a one-time waiver for the 2016–2017 school year and will receive full prekindergarten funding based on a minimum of 120 minutes of classroom time per day.

*House Bill 2610 Funding Implications
for the 2016-2017 School Year (cont'd)*

Calendar Reporting

Beginning with the 2016–2017 school year, districts and charter schools are required to submit calendars for all campuses to the Texas Education Agency (TEA) demonstrating compliance with the new statute. This submission will take place as part of the third Public Education Information Management System (PEIMS) submission due June 22, 2017.

Documentation on the submission requirements for campus calendars can be found by following this url:
<http://castro.tea.state.tx.us/tsds/tds/2017A/tds-ds2.1.pdf>

Calendar data will be reported using the Reporting Period Extension and Calendar Date Extension complex types.

Internal Control Tip of the Week – Payroll Processes

Does your district have a “Plan B,” if your district should have a planned or unplanned absence of one or more payroll office employees?

Documentation of payroll processes helps ensure smooth transitions when changes in staffing occur for any reason, in addition to ensuring consistency and accuracy in the preparation of all payrolls.

Internal Control Tip of the Week – Payroll Processes

(cont'd)

Documentation of payroll processing procedures should contain, at a minimum, information related to the following topics:

Payroll department functions, segregation of duties, data system security and other general information;

Payroll data management related to employee demographic information, pay and job information, account code distribution, deductions, leaves and the payroll file;

Payroll processing from preparation of the payroll, posting of leave and timekeeping data, payroll calculations, posting the payroll to the payroll master file and the general ledger and disbursing the payroll checks and liabilities;

Payroll reporting requirements such as monthly, quarterly or annual reporting requirements to the Texas Education Agency (TEA), Teacher Retirements System (TRS), Affordable Care Act (ACA), Internal Revenue Service (IRS), and Texas Workforce Commission (TWC);

Workflows in processing all types of payroll and benefits transactions;

Organization of electronic and paper format payroll office files; and

Record retention processes.

Internal Control Tip of the Week – Payroll Processes (cont'd)

Documentation of payroll processing procedures should contain, at a minimum, information related to the following topics:

Authorization of additions and deletions of employees in the payroll system;

Authorization of changes to rate of pay and benefits;

Review and approval of timesheets;

Review and approval of payroll reconciliations prior to distribution of each payroll;

Distribution of check stubs to employees (if on-line access is not provided) or paychecks to employees without direct deposit; and

Opening the bank statement(s) for the payroll account(s).

Substitute System of Federal Time-and-Effort Reporting for School Year 2016-2017

- All Texas LEAs, including open-enrollment charter schools, may now request approval to use the substitute system of federal time-and-effort for the 2016-2017 school year.
- Traditionally, employees who work on more than one federal grant award document their time and effort with monthly personnel activity reports (PARs). Under the substitute system, they may use semiannual certifications instead. This substitute system continues to be accepted under the new EDGAR regulations.
- The substitute system makes time-and-effort reporting easier for employees who meet the following conditions:
 - Work on more than one federal grant award (that is, the employees are supported by more than one cost objective),
 - Work on a set schedule, and
 - Work on only one activity at a time

Substitute System of Federal Time-and-Effort Reporting for School Year 2016-2017 (cont'd)

Required LEA Management Certification:

- The US Department of Education requires you to submit a management certification form to TEA before your employees may participate in the substitute system. The management certification form is posted on the Substitute System page of the agency website.
- You may submit the management certification form throughout the year. However, the time of submission will determine when you may use the substitute system for the 2016–2017 school year. The management certification form is only required to be submitted once per school year regardless of when it is submitted.

To implement the substitute system...	Submit the certification by...
Fall 2016, spring 2017, and summer 2017 semesters	September 30, 2016
Spring and summer 2017 semesters	December 15, 2016
Summer 2017 semester	May 15, 2017

Substitute System of Federal Time-and-Effort Reporting for School Year 2016-2017 (cont'd)

- Submit your signed, completed management certification to TEA by email (to grants@tea.texas.gov), fax (to 512-463-9811), or mail at the following address:

Texas Education Agency
Grants Administration Division
1701 North Congress Avenue
Austin, TX 78701

- Once LEAs begin submitting the management certification form, TEA will post a list of approved LEAs on the Substitute System page of the agency website.
- Submitting the management certification form does not obligate you to use the substitute system. You may submit the form and then choose not to use the system.

Substitute System of Federal Time-and-Effort Reporting for School Year 2016-2017 (cont'd)

Required Employee Schedule and Certification

- Participating employees must complete a schedule and sign a certification at least semiannually.
- You keep the completed employee forms; you do not submit them to TEA.
- TEA will request your documentation if your LEA is selected for data validation.
- If selected, you will receive additional information regarding the validation process.

Contact Information

Frances Guzman

Region One Education Service Center

Deputy Director for Business, Operations & Finance Support

(956) 984-6290

fguzman@esc1.net