

Board Report ----- Collinsville I.S.D. ----- December 15, 2003

A review of the district's first rating under the new financial accountability rating system headed the agenda of the December regular meeting of the Collinsville ISD Board of Trustees held on December 15. Collinsville ISD has received a rating of "Superior Achievement" under Texas' new Schools FIRST financial accountability rating system. The Superior Achievement rating is the highest, demonstrating the quality of Collinsville ISD's financial management and reporting system.

This is the first year of the Schools FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school district's financial resources, a goal made more significant due to the complexity of the accounting associated with Texas' school finance system.

The "Superior Achievement" rating is based on the performance of the district on 21 different indicators.

1. Was the total fund balance less reserved fund balance greater than zero in the general fund?----- Yes
2. Were there no disclosures in the annual financial audit and/or other sources of information concerning default on bonded indebtedness obligations? ----- Yes
3. Was the annual financial report filed within one month after November 27th deadline?----- Yes
4. Was there an unqualified opinion in the annual financial report?----- Yes
5. Did the annual financial report not disclose any instances of material weaknesses in internal controls?----- Yes
6. Was the percent of total tax collections (including delinquent) greater than 96%----- Yes
7. Did the comparisons of PEIMS data to like information in the annual financial report result in an aggregate variance of less than 4% of expenditures per fund type?----- Yes
8. Were debt related expenditures < \$770 per student?----- Yes
9. Was there no disclosure in the annual audit report of material noncompliance ----- Yes
10. Did the district have full accreditation status in relation to financial management practices? ----- Yes
11. Was the percent of operating expenditures expended for instruction more than 54%----- Yes
12. Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources and fund balances in the general fund? ----- Yes
13. If the district's aggregate fund balance in the general fund and capital projects fund was less than zero, were construction projects adequately financed? ----- Yes
14. Was the ratio of cash and investments to deferred revenues in the general fund = or > 1:1? ----- Yes
15. Was the administrative cost ratio less than the standard in state law?----- Yes
16. Was the ratio of students to teachers within the ranges according to district size? ----- Yes
17. Was the ratio of students to total staff within the ranges according to district size?----- Yes
18. Was the total fund balance in the general fund more than 50% and less than 150% of optimum according to the fund balance and cash flow calculation worksheet in the annual financial report?----- No
19. Was the decrease in undesignated unreserved fund balance < 20% over two fiscal years? ----- Yes
20. Was the aggregate total of cash and investments in the general fund more than \$0?----- Yes
21. Were investment earnings in all funds more than \$15 per student?----- Yes

The only area in which the district received a "No" response was on the issue of total fund balance that was being held by the district. On this issue, the district was retaining a larger fund balance than was recommended by the Texas Education Agency, meaning, the district was guilty of having too much money in the bank.

Board action was taken to approve an amendment to the 2003-2004 budget for the incurring of upfront expenses for the construction of the new primary school building for the elementary campus. Such expenses for the project include survey work, architectural fees, and all required testing for the development of the plans to begin the project. These expenses will be reimbursed back to the district upon completion of all of the financial transactions related to the project.

A cooperative agreement for school bus driver mandatory drug testing was approved by the board for services to be provided by Education Service Center Region XI. The Federal Department of Transportation requires all bus drivers to be tested on a random basis. By being a member of a cooperative the district is able to save money in meeting this federal regulation.

The board also approved an interlocal agreement with the Grayson County Health Department to share facilities with the department in case of a bio-hazard emergency. In such a situation, the district would open its facilities for the county to establish temporary clinics to disperse medication to the general public in this area of Grayson County.

The board also received an update on the current status of school finance litigation in which the district is participating. Collinsville ISD is one of the 148 public school districts from all areas of Texas who have joined the Alvarado Plaintiff Interveners in the fight for equity in school funding. Included in this number are 2 of the state's largest school districts, Fort Worth ISD and Ysleta ISD. These 148 school districts have come together to take legal action against the state to declare that the present school funding system is insufficient to support "a general diffusion of knowledge."

The large number of school districts who have joined exceeds expectations. The Alvarado Plaintiff Interveners is the largest group in history to join together as a voice of equity in the long running struggle to bring both adequate and equitable funding to the Texas system of funding our public schools.

Even though many around the state are calling for "adequacy", the truth is there will never be adequacy without equity first. The children in the 800 plus districts in Texas that depend on state funding to survive must have equity in funding or they will never receive the education our state constitution has promised.

The Alvarado Plaintiff Interveners shares common cause with the original group of districts, better known as the West Orange-Cove lawsuit, in asserting that the state has failed to meet its obligation to educate all Texas school children. However, the Alvarado Plaintiff Interveners adamantly stand for equity at all levels. This has been described as a system with no gap – in other words every child has total and complete access to every dollar as a child in any other district.

Other districts in Grayson County participating in the lawsuit include Whitesboro ISD, Gunter ISD, and Pottsboro ISD.

The board was also briefed on the administration's progress on developing a student drug testing program. The administration reported that an implementation plan was being developed for the new program. The administration is currently working with other districts that have implemented a student drug testing program for possible implementation strategies. The administration's goal is to have the program ready for the 2004-2005 school year.