



SANTA MARIA INDEPENDENT SCHOOL DISTRICT

**NOTICE OF PUBLIC HEARING ON
SCHOOL FIRST, FINANCIAL ACCOUNTABILITY RATING SYSTEM
MONDAY, NOVEMBER 14, 2016
6:00 p.m.**

MINUTES

Notice is hereby given that a scheduled Public Hearing on the School FIRST, Financial Accountability Rating System of Santa Maria Independent School District was held on Monday, November 14, 2016 at 6:00 p.m. at the Santa Maria ISD Board Room, 11119 Military Hwy, Santa Maria, Texas 78592.

The Santa Maria Independent School District offers reasonable accommodations for persons accessing its school facilities, as required by the Americans with Disabilities Act (ADA). If you require special accommodations, please contact Mrs. Ida Torres, Receptionist/Clerical Assistant to the Superintendent of Schools at (956) 565-6308 for assistance.

CALL TO ORDER

The Board Vice-President called the meeting to order at 6:34 p.m. for the Public Hearing.

ESTABLISH QUORUM

Present:

Oralia Ortiz, Vice-President
Miguel Zavala, Secretary
Consuelo De la Rosa, Member
Noe Aleman, Member

Absent:

Adolfo Hinojosa, President
Ram Rivera, Jr., Member
Belinda Lugo, Member

Present from the District:

Maria J. Chavez, Superintendent of Schools
Enrique Cuellar, Business Manager
Alyssa L. Romero, The Law Offices of Guerra & Farah, PLLC
Ida Torres, Receptionist/Clerical Assistant to the Superintendent of Schools

OPEN FORUM

No record received to speak at Open Forum

PUBLIC HEARING ON SCHOOLS FIRST, FINANCIAL ACCOUNTABILITY RATING SYSTEM

A Public Hearing on the School First, Financial Accountability Rating System was held at the Administration Building located at 11119 Military Rd., Santa Maria, Texas.

Any taxpayer of the District may be present and participate in the Hearing. [Policy CE (Legal)/CE (Local)]

Vice-President read the Public Hearing Rules.



1. Any taxpayer may participate in the public hearing.
2. Taxpayers who desire to address the Board of Trustees on the Financial Integrity Rating System of Texas report should give their names to Mrs. Ida Torres, Receptionist/Clerical Assistant.
3. The Board of Trustees and employees may not respond to comments made by the taxpayers.
4. Taxpayer comments must be limited to the Financial Integrity System of Texas presentation/report.

Overview of Schools FIRST (Financial Integrity Rating System of Texas)

Ms. Chavez stated a couple of documents were made by Mr. Cuellar to be able to summarize today's presentation.

1. The components of this system is basically giving you an overview of the district rating. And Mr. Cuellar is going to go over these in a few minutes. And then with the format that we follow as a school district.
2. The other document that has to be included is the Superintendent's contract.
3. The third item there is any of the financial disclosures which regards to any reimbursements received by the Superintendent and Board of Trustees for fiscal year 2015. And we have those included. The other disclosure is any gifts received by Executive officers, and that would include Superintendent, Business Manager and the Board of Trustees. Any business transactions is another disclosure, this includes any business transactions between the school district and Board Members for fiscal year 2015. And at this point we have none to report in the area gifts and the summary of reimbursements we have it there listed by Board Members and Superintendent.
4. There is a total of fifteen indicators. And in that document you have a document that is a summary of the presentation that is included.
5. Santa Maria ISD Rating

Mr. Cuellar did the presentation of the FIRST.

A financial accountability system for Texas school districts developed by TEA in response to Senate Bill 875 of the 76th Texas, Legislature in 1999. Primary goal of FIRST is to achieve quality performance in the management of school districts' financial resources. They have to go one by one.

What is FIRST? The Schools FIRST accountability rating system assigns one of two financial accountability ratings to Texas school districts. Currently the ratings are, A= Superior (70-100 points), B = Above Standard (50-69 points), C = Meets Standard (31-49 points), D = Substandard Achievement (<31 points). Districts that received a Substandard Achievement or Suspended—Data Quality, must file a corrective action plan with TEA. That's for your information purposed.

The fifteen indicators were developed and ratings were assessed based on the response for each indicator

The following are the fifteen indicators along with a brief information.

Indicator #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, respective?

* This Indicator is asking if we filed our audit report as required.

* Our Score – YES

Indicator #2 - Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass the indicator. The School district fails indicator number 2 if it responds "NO" to indicator 2.A or to both indicators 2.A and 2.B.

Indicator #2a - Was there an unmodified opinion in the AFR on financial statements as a whole?

*Our Score -YES



Indicator #2b - Did the external independent auditor report that the AFR was free of any instance (s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds?

* Our Score -YES

Indicator #3 - Was the district in compliance with the payment terms of all debt agreements at fiscal year end?

* This indicator wants to make certain that our district has paid our bills/obligations on bonds issued to pay for school construction.

* Our Score –YES

Indicator #4 - Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

* Our Scores – YES

Indicator #5 - Was the total unrestricted net asset balance in the governmental activities column in the statement of net assets greater than zero?

* Our Score – YES

Indicator #6 - 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?

* Our Score – 8

Indicator #7 - Was the measure of current assets to current liabilities ration for the school district sufficient to cover short term debt?

* Our Score – 10

Indicator #8 - Was that ratio of long term liabilities to total assets for the school district sufficient to support long term solvency?

* Our Score – 10

Indicator #9 - Did the school district's general fund revenues equal or exceed expenditures? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

* Our Score – 10

Indicator #10 - Was the debt service coverage ration sufficient to meet the required debt Service?

* Our Score - 10

Indicator #11 - Was the school district's administrative cost ratio equal to or less than the threshold ratio?

* Our Score - 2

Indicator #12 - Did the school district not have a 15% decline in the students to staff ratio over 3 years?

* Our Score – 0

Indicator #13 - Did the comparison of PEIMS data to like information in the Annual Financial Report result in a total variance of less the 3% of all expenditures by function?

* Our Score – 10

Indicator #14 - Did the external independent auditor report that the AFR was free of any instance (s) of material noncompliance for grants, contracts and laws related to local, state, or federal funds?

* Our Score - 10



Indicator #15 - Did the school district not receive an adjusted repayment schedule for more than one fiscal year when over allocation of foundation program (FSP) funds as a result of a financial hardship?

* Our Score - 10

Determination of Rating:

Did the district answer NO to indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned. Determine the rating by the applicable number of points. (Indicators 6-15) as follows:

A= Superior (70-100 points), B = Above Standard (50-69 points), C = Meets Standard (31-49 points) and

D = Substandard Achievement (<31 points)

Based on our answers: District Score = 80

Our Rating for FY 2014-2015

"SUPERIOR"

On the next page you will see how the ratings have changed from last year to this current year. As you can see last year it was a little less detailed. It only went up to seven Indicators. Our score was twenty at that time and it was pass or fail only and we passed. And with the new indicators that were added, the score as I mentioned, it shows where we got our points and at the end it totals to eighty points and of course the Superior ratings.

The next three pages, will show you what the actual TEA reports, it shows a little more detailed by line item.

Ms. Chavez stated one of the conversations and review that we were looking at, the Superior ratings were going to ninety points. So when they look at our school district and the fact that we are getting the ten points in those categories so we really have to look at administrative cost, we have to look at our staffing in relation to our student enrollment to be able to maximize on getting the 90 points to get that Superior rating.

Mr. Cuellar stated that would be indicator #11.

Ms. Chavez stated its applicable to the 2016 in so it's a year in motion already.

Mr. Cuellar stated this is what we have to advertise and put on our website. With this report it is also required for us to print the disclosures.

The disclosures are as follows:

1. The Superintendent's contract for the current year 2015-2016
2. Reimbursements to the Superintendent and the Board Members
 - a. That would be any reimbursements for travel or any type of payments.
3. Requires the Superintendent to provide any information regarding any professional consulting services that were paid and there was none.
4. Gifts received by executive officers and board members received and possibly relatives for fiscal year 2015, none was reported.
5. Business transactions between school district and board members for the year 2015, none was reported.
6. Any other information the board of trustees of the school district or open enrollment charter school determines to be useful, and there was none.

Mr. Cuellar stated this should be the FIRST reporting.



Ms. Chavez stated Mr. Cuellar also included the release from TEA, as far as accountability ratings state wide. And it gives you a summary of school districts receiving the "A" Superior a total of one thousand and three school districts statewide, Above Standard Achievement (B) was sixteen school districts and then Substandard Achievement (F) four school districts statewide.

A. Public comments on the Report

Ms. Ortiz asked if there was any public comments on the report.


Ms. Torres stated, no.

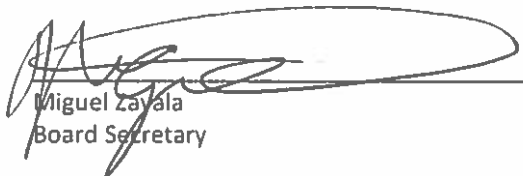
B. Adjournment

The Board Vice-President asked for a motion to adjourn the meeting.

Motion was made by Consuelo de la Rosa, seconded by Noe Aleman. The motion was passed unanimously.

The Board Vice-President announced it is 6:56 pm and this meeting is adjourned.


Oralia Ortiz
Board Vice-President


Miguel Zavala
Board Secretary

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Maria J. Chavez, Superintendent of Schools

Board of Trustees

Adolfo Hinojosa, President
Oralia "Lala" Ortiz, Vice-President
Miguel Zavala, Secretary
Noe Aleman, Member
Consuelo De la Rosa, Member
Belinda Lugo, Member
Rambaldo "Ram" Rivera, Jr., Member

