



To the Administrator Addressed



DATE:	June 24, 2021
SUBJECT:	New Required Schedule J-4
CATEGORY:	Annual Financial Report
NEXT STEPS:	Share with business and program staff

The purpose of this letter is to inform school districts and open-enrollment charter schools (local educational agencies or LEAs) that a new schedule will be required in the annual financial report (AFR). LEAs are strongly encouraged to include Schedule J-4 with their fiscal year 2020 2021 AFR and data feed submissions.

Beginning with fiscal year-end (FYE) 2021, LEA auditors are strongly encouraged to answer the new set of compliance questions that are aligned with the requirements to the Texas Education Code, §48.104, Compensatory Education Allotment, and §48.105, Bilingual Education Allotment, as amended by House Bill 3 of the 86th Texas Legislature, 2019. The compliance questions can be found in the Financial Accountability System Resource Guide, Module 4: Auditing, section 4.6.5 Compliance with Laws and Regulations.

Starting in FYE 2022, both the new J-4 schedule and the compliance questions will be required. They will be used to determine if the program funds were not used in compliance with the statutes. This determination may involve the LEA's average use of funds for the three preceding school years.

Schedule J-4 contains two sections of four questions. The questions are related to Compensatory Education Program and Bilingual Education Program expenditures.

Data Codes	<u>Section A: Compensatory Education Programs</u>	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the	Yes / No
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes / No
AP3	List the total state allotment funds received for state compensatory education programs during the	\$ _____
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ _____
	<u>Section B: Bilingual Education Programs</u>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA fiscal year?	Yes / No

