

**Report of the State Board of Education
Committee on School Finance/Permanent School Fund
Thursday, January 29, 2026**

The State Board of Education Committee on School Finance/Permanent School Fund met at 9:00 a.m. on Thursday, January 29, 2026, in room, #2.034 of the Barbara Jordan Building, 1601 N. Congress Avenue, Austin, Texas.

Present: Tom Maynard, chair; Marisa Perez-Diaz, vice chair; Keven Ellis; Will Hickman; and Aaron Kinsey.

ACTION ITEM

1. Proposed Amendment to 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapter C, Adoptions By Reference, §109.41, Financial Accountability System Resource Guide

(First Reading and Filing Authorization)

(Board agenda page III-1)

David Marx, Senior Director, Financial Compliance reported that the proposed amendment would adopt by reference the updated *Financial Accountability System Resource Guide* (FASRG), which includes annual updates and removes information related to the compensatory education allotment. He explained the purpose of the guide, what it includes, why it is being updated, and what aspects are being updated.

MOTION: *It was moved by Member Perez-Diaz that the Committee on School Finance/Permanent School Fund recommend that the State Board of Education:*

Approve for first reading and filing authorization the proposed amendment to 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapter C, Adoptions By Reference, §109.41, Financial Accountability System Resource Guide.

The motion was adopted.

2. Proposed Revisions to 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapter B, Texas Education Agency Audit Functions, §109.25, State Compensatory Education Program Reporting and Auditing System, and Subchapter D, Uniform Bank Bid or Request for Proposal and Depository Contract

(First Reading and Filing Authorization)

(Board agenda page III-7)

Mr. Marx explained the proposed revisions to 19 Texas Administrative Code (TAC) Chapter 109, Budgeting, Accounting, and Auditing, Subchapter B, Texas Education Agency Audit Functions, §109.25, State Compensatory Education Program Reporting and Auditing System, and Subchapter D, Uniform Bank Bid or Request for Proposal and Depository Contract. Additionally, he explained more about the state compensatory education (SCE) program and its funding, and banking as it relates to the change to the depository contract. Furthermore, Mr. Marx explained how students are identified as economically disadvantaged and how census blocks are used in determining SCE funding and the tier of funding they fall under.

MOTION: *It was moved by Member Perez-Diaz that the Committee on School Finance/Permanent School Fund recommend that the State Board of Education:*

Approve for first reading and filing authorization proposed revisions to 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapter B, Texas Education Agency Audit Functions, §109.25, State Compensatory Education Program Reporting and Auditing System, and Subchapter D, Uniform Bank Bid or Request for Proposal and Depository Contract.

The motion was adopted.

Chairman Maynard adjourned the meeting at 9:13 a.m.