

# ANNUAL FINANCIAL ACCOUNTABILITY MANAGEMENT REPORT



***Brownsville I.S.D. received a “Superior Achievement”  
under the Texas School Finance Accountability  
Rating System for fiscal year 2011-2012***

The Brownsville Independent School District has received a rating of “Superior Achievement” from the Texas School Finance Accountability Rating System for the fiscal year ended 2011-2012.

The Financial Integrity Rating System of Texas (School FIRST) is the financial accountability system for Texas school districts and developed by the Texas Education Agency (T.E.A.) in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999 and Senate Bill 218 of the 77<sup>th</sup> Legislature in 2001. The primary goal of School FIRST is to achieve quality performance in the management of school district’s financial resources. This goal is known more significant due to the complexity of accounting associated with the Texas school finance system.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being “Superior Achievement,” followed by “Above-Standard Achievement,” “Standard Achievement” and “Substandard Achievement”. District(s) with serious data quality problems may receive the additional rating of “Suspended-Data Quality”. Districts that receive the “Substandard Achievement” or “Suspended-Data Quality” ratings must Schools FIRST must file a corrective action plan with the Texas Education Agency.

School FIRST was developed in consultation with Texas Comptroller of Public Accounts, Texas Association of School Business Officials, Texas Association of School Boards and other professional associations.



# OVERVIEW

Senate Bill 218 (Title 19 of the Texas Administrative Code, §109.1005) requires each school district to prepare an Annual Financial Accountability Management Report within two months after receipt of its final School FIRST rating. The school district must announce and hold a public meeting to distribute a financial management report that explains the district's rating and its performance under each of the 20 indicators for the current and prior year.

The ratings were based upon an analysis of staff and student data reported for the 2011-2012 school year and budgetary and actual financial data for the 2012 fiscal year ended June 30, 2012.

The attached report describes the district's status details of the 20 indicators and the data used to calculate the rating of each indicator. A negative response to any of the first four indicators or a negative response to both the fifth and sixth critical indicators results in the district receiving a rating of "Substandard Achievement".

The Annual Financial Accountability Management Report includes six disclosures as required by Chapter 109, of the Commissioner of Education (as follows):

1. A copy of the superintendent's current employment contract.
2. A summary schedule for the fiscal year 2011-2012 of total reimbursements received by the superintendent and each board member.
3. A summary schedule for the fiscal year 2011-2012 of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other entity in exchange for professional consulting and/or other personal services.
4. A summary schedule for the fiscal year 2011-2012 of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more.
5. A summary schedule for the fiscal year 2011-2012 of the dollar amount by board member for the aggregate amount of business transactions with the school district.
6. A summary schedule of the data submitted to the Texas Education Agency of the financial solvency provisions of Texas Education Code, §39.0822.



## Financial Integrity Rating System of Texas

### 2011-2012 District Status Detail

<b>Name:</b> <b>BROWNSVILLE ISD(031901)</b>		<b>Publication Level 1:</b> 6/21/2013 3:05:18 PM	
<b>Status:</b> <b>Passed</b>		<b>Publication Level 2:</b> 9/12/2013 6:29:59 PM	
<b>Rating:</b> Superior Achievement		<b>Last Updated:</b> 9/12/2013 6:29:59 PM	
<b>District Score:</b> 69		<b>Passing Score:</b> 52	
#	Indicator Description	FY 10-11	FY 11-12
<b>1</b>	<p style="color: red; margin: 0;"><b>Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?</b></p> <p style="margin: 5px 0 0 20px;">This indicator is designed to ensure the school district has a positive amount of fund balance cash (savings) that is not designated or “restricted” for a specific purpose.</p> <p style="margin: 5px 0 0 20px;">Response: Brownsville I.S.D.’s unreserved fund balance at June 30, 2012 was \$68,826,171.</p>	<b>Passed</b>	<b>Passed</b>
<b>2</b>	<p style="color: red; margin: 0;"><b>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</b></p> <p style="margin: 5px 0 0 20px;">This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?”</p> <p style="margin: 5px 0 0 20px;">Response: Brownsville I.S.D.’s total unrestricted net asset at June 30, 2012 was \$65,775,797.</p>	<b>Passed</b>	<b>Passed</b>

#	Indicator Description	FY 10-11	FY 11-12
3	<p data-bbox="253 302 1076 422"><b>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</b></p> <p data-bbox="253 470 1076 590">This indicator seeks to make certain that the school district has paid bills/obligations on bonds issued to pay for school construction, etc.</p> <p data-bbox="253 638 1076 716">Response: Brownsville I.S.D. has not had any instance of default on bonded indebtedness obligations.</p>	<b>Passed</b>	<b>Passed</b>
4	<p data-bbox="253 760 1076 921"><b>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</b></p> <p data-bbox="253 970 1076 1047">A simple indicator. Did the school district's Annual Financial Report filed by the deadline or within 30 days of deadline?</p> <p data-bbox="253 1096 1076 1215">Response: The Brownsville I.S.D. Annual Financial and Compliance Report was submitted before the TEA deadline of December 28, 2012.</p>	<b>Passed</b>	<b>Passed</b>
5	<p data-bbox="253 1264 1076 1341"><b>Was There An Unqualified Opinion in Annual Financial Report?</b></p> <p data-bbox="253 1390 1076 1593">A "qualification" on the financial report means the school district needs to correct some of the reporting of financial controls. A district's goal, therefore, is to receive an "unqualified opinion" on its Annual Financial and Compliance Report. This is a simple "Yes" or "No" indicator.</p> <p data-bbox="253 1642 1076 1761">Response: The Brownsville I.S.D. has received an unqualified opinion on its Annual Financial and Compliance Report for fiscal year ended June 30, 2012.</p>	<b>Passed</b>	<b>Passed</b>

#	Indicator Description	FY 10-11	FY 11-12
6	<p data-bbox="253 302 1076 380"><b>Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?</b></p> <p data-bbox="253 428 1076 548">Any internal weaknesses create a risk of the school district not being able to properly account for its use of public funds, and should be immediately addressed.</p> <p data-bbox="253 596 1076 716">Response: No material weaknesses in internal controls were disclosed in the Brownsville I.S.D.'s Annual Financial and Compliance Report.</p>	<b>Passed</b>	<b>Passed</b>
7	<p data-bbox="253 760 1076 837"><b>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</b></p> <p data-bbox="253 886 1076 1005">This indicator measures the school district's success in collecting the taxes owed by the district's community's businesses and homeowners.</p> <p data-bbox="253 1054 1076 1131">Response: The Brownsville I.S.D.'s tax collection rate at June 30, 2012 was greater than 98%.</p>	5 of 5 Points	5 of 5 Points
8	<p data-bbox="253 1218 1076 1377"><b>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</b></p> <p data-bbox="253 1425 1076 1629">This indicator measures the quality of data reported to PEIMS and in the school district's Annual Financial and Compliance Report to make certain that the data reported in each case "matches up." If the difference in numbers reported in any fund type is 3 percent or more, the district "fails" this measure.</p> <p data-bbox="253 1680 1076 1757">Response: The Brownsville I.S.D.'s data quality measure was less than 3 percent for fiscal year 2011-2012.</p>	5 of 5 Points	5 of 5 Points

#	Indicator Description	FY 10-11	FY 11-12
9	<p>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) &lt; \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or &gt; 7%, Or If Property Taxes Collected Per Penny Of Tax Effort &gt; \$200,000 Per Student)</p> <p>This indicator shows the Legislature’s intent for school districts to spend money on education, rather than fancy buildings, by limiting the amount of money district’s can spend on debt to \$350 per student. The legislature did allow for fast growing schools to exceed this cap.</p> <p>Response: Brownsville I.S.D.’s debt expenditures (net of IFA/EDA allotments) was \$162.99 per student.</p>	5 of 5 Points	5 of 5 Points
10	<p>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</p> <p>A “No” disclosure means the Annual Financial and Compliance Report includes no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.</p> <p>Response: The Brownsville I.S.D.’s Annual Financial and Compliance Report at June 30, 2012 did not have any disclosure of material noncompliance.</p>	5 of 5 Points	5 of 5 Points
11	<p>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</p> <p>Did T.E.A. take over control of the school district due to financial issues such as fraud or having a negative fund balance?</p> <p>Response: The Brownsville I.S.D. had full accreditation at June 30, 2012.</p>	5 of 5 Points	5 of 5 Points

#	Indicator Description	FY 10-11	FY 11-12
12	<p data-bbox="253 302 1075 407"><b>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</b></p> <p data-bbox="253 449 1075 588">Did the school district overspend its budget? The school district will receive a negative rating on this measure if its total expenditures and other uses for the fiscal year exceeded the district's total funds available.</p> <p data-bbox="253 630 1075 735">Response: Brownsville I.S.D.'s total revenues, other sources and fund balance in General Fund exceeded total expenditures and other uses by \$97,317,464.</p>	5 of 5 Points	5 of 5 Points
13	<p data-bbox="253 777 1075 915"><b>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</b></p> <p data-bbox="253 957 1075 1024">This indicator measures the school district's ability to construct facilities without damaging the district's Fund Balance.</p> <p data-bbox="253 1066 1075 1176">Response: The school district had a positive fund balance and therefore had sufficient funds to adequately budget for construction projects.</p>	5 of 5 Points	5 of 5 Points
14	<p data-bbox="253 1218 1075 1394"><b>Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</b></p> <p data-bbox="253 1436 1075 1688">This indicator measures whether or not the school district has sufficient cash and investments to balance Fund Balance monies such as TEA overpayments (deferred revenues). In other words, the school district should have fund balance monies of its own that are at least equal to those dollars that are there due to overpayments from TEA, and it should not be spending "next year's" monies this year.</p> <p data-bbox="253 1730 1075 1839">Response: For fiscal year ended June 30, 2012, cash and investments in the General Fund were \$101,714,432 and the District had \$9,681,779 deferred TEA overpayments.</p>	5 of 5 Points	5 of 5 Points

#	Indicator Description	FY 10-11	FY 11-12
15	<p data-bbox="253 302 1076 386"><b>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</b></p> <p data-bbox="253 470 1076 625">TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration. Did the school district exceed the cap in School FIRST for district or our size?</p> <p data-bbox="253 695 1076 806">Response: TEA’s acceptable administrative cost ratio is 11.05%, whereas the Brownsville I.S.D.’s administrative cost ratio was, 7.79% at June 20, 2012.</p>	5 of 5 Points	5 of 5 Points
16	<p data-bbox="253 894 1076 978"><b>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</b></p> <p data-bbox="253 1041 1076 1155">This indicator measures the school district’s student/teacher ratio to ensure that it is within TEA’s recommended ranges for the district’s student population range.</p> <p data-bbox="253 1224 1076 1293">Response: Brownsville I.S.D. had a 15.01 student per teacher ratio at June 30, 2012 (refer to table on page 10).</p>	5 of 5 Points	5 of 5 Points
17	<p data-bbox="253 1377 1076 1461"><b>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</b></p> <p data-bbox="253 1524 1076 1638">This indicator measures the school district’s student/staff ratio to ensure that it is within TEA’s recommended ranges for the district’s student population range.</p> <p data-bbox="253 1707 1076 1776">Response: Brownsville I.S.D. had a 6.68 student per staff ratio at June 30, 2012 (refer to table on page 10).</p>	3 of 5 Points	4 of 5 Points



#	Indicator Description	FY 10-11	FY 11-12
18	<p data-bbox="253 302 1076 464"><b>Was The Decrease In Undesignated Unreserved Fund Balance &lt; 20% Over Two Fiscal Years?(If Total Revenues &gt; Operating Expenditures In The General Fund, Then District Receives 5 Points)</b></p> <p data-bbox="253 512 1076 716">Is the school district “feeding off of the district’s fund balance” to pay for salaries or other district operating expenses? This indicator notes rapid decreases in the district’s undesignated fund balance (those dollars not designated as a “land fund” or “construction fund”) or emergency fund.</p> <p data-bbox="253 764 1076 842">Response: June 30, 2012 revenues exceeded expenditures by \$23,826,336.</p>	5 of 5 Points	5 of 5 Points
19	<p data-bbox="253 886 1076 963"><b>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</b></p> <p data-bbox="253 1012 1076 1089">Does the school district have cash in the bank and/or investments?</p> <p data-bbox="253 1138 1076 1215">Response: Brownsville I.S.D. had a total of \$101,714,432 in both General Fund and Investments at June 30, 2012.</p>	5 of 5 Points	5 of 5 Points
20	<p data-bbox="253 1264 1076 1383"><b>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?</b></p> <p data-bbox="253 1432 1076 1509">Is the school district using cash or reserve fund (Fund Balance) monies wisely?</p> <p data-bbox="253 1558 1076 1677">Response: Investment earnings in all funds (except Debt Service &amp; Capital Projects Funds) were \$407,022. Resulting in 0.33%.</p>	5 of 5 Points	5 of 5 Points

<b>Indicator 16</b>	<b>Ranges for Ratios</b>		<b>Indicator 17</b>	<b>Ranges for Ratios</b>	
District Size - Number of Students	Low	High	District Size - Number of Students	Low	High
< 500	7	22	< 500	5	14
500 – 999	10	22	500 – 999	5.8	14
1,000 – 4,999	11.5	22	1,000 – 4,999	6.3	14
5,000 – 9,999	13	22	5,000 – 9,999	6.8	14
=> 10,000	13.5	22	=> 10,000	7.0	14

**DISCLOSURE:**

**1 - SUPERINTENDENT'S CONTRACT**

**AMENDMENT TO SUPERINTENDENT'S EMPLOYMENT CONTRACT**

STATE OF TEXAS                    §  
  §        KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF CAMERON           §

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 13th day of December, 2011, by and between the Board of Trustees (the "Board") of the Brownsville Independent School District (the "District") and Dr. Carl A. Montoya, ("Superintendent").

**WITNESSETH:**

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201 and other provisions of the Texas Education Code, and the general laws of the State of Texas, have agreed, and do hereby agree, as follows:

**I. Term**

1.1 **Term.** The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District commencing on December 13, 2011, and ending on December 13, 2015. In all years of this Contract, the Contract year shall be from July 1st through June 30th. The contract is for 226 days per contract year. In the event that the Superintendent works more than 226 days in the Contract year, he shall be entitled to no additional compensation or compensatory work credit in future years. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.

1.2 **No Tenure.** The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Contract. No property interest, express or implied, is created in continued employment beyond the Contract term.

**II. Employment**

2.1 **Duties.** The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and Board policy and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, reassign, evaluate and accept resignations of the employees of the District

consistent with Board policies and federal and state law, except that only the Board may evaluate and accept the resignation of the Superintendent. It shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. In the case of administrative assignment and/or reassignment, the Superintendent shall advise the Board prior to administrative assignment and/or reassignment. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent. The Superintendent shall, from time to time, suggest policy, regulations, rules and procedures deemed necessary for the well ordering of the school district; and, in general, the Superintendent shall perform all duties incident to the office of the Superintendent, and such other duties as may be prescribed by the Board.

**2.2 Consulting.** During the term of this Contract, the Superintendent will not engage in any consulting activities for a fee, or in any outside employment without the prior consent of the Board. The Superintendent will comply with all District policies, rules and regulations regarding conflict of interest and fraud as they exist or may hereafter be amended or adopted during the term of this Contract.

**2.3 Professional Certification.** The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof hold and maintain valid and appropriate certifications or permits required to act as a superintendent as prescribed by the laws of the State of Texas and the rules and regulations of the Texas Education Agency and/or the State Board for Educator Certification and all other certificates required by law. The Superintendent shall provide evidence of such certifications or permits to the Board upon request at any time. The Superintendent shall also provide evidence of educational attainment, degrees earned, previous professional experience, and other records required for personnel files of the District. Failure to maintain valid and appropriate certifications or permits shall render this Contract void, and any material misrepresentation in any records provided to the District shall be grounds for termination.

**2.4 Reassignment.** The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

**2.5 Board Meetings.** Unless otherwise prohibited by law, the Superintendent shall attend, and shall be permitted to attend, all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Contract or the Superintendent's salary and benefits as set forth in this Contract, the Superintendent's evaluation or to discuss the duties and responsibilities of the Superintendent, for purposes of resolving conflicts between individual Board members, when the Board is acting in its capacity as a tribunal, or if there is a legal dispute between the Board and the Superintendent. There may also be times when the Board deems it appropriate for the Superintendent not to attend a Board meeting or a portion of a Board meeting. In that case, the Superintendent will be

excused from attending the meeting or portion of the meeting. In the event of illness or Board President approved absence, the Superintendent's designee shall attend such meetings.

**2.6 Criticisms, Complaints, and Suggestions.** The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent for study and appropriate action, and the Superintendent shall investigate such matters and inform the Board of the results of such action.

**2.7 Legal Defense/Indemnification.** The District agrees that, to the extent permitted by state law, it shall defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions and legal proceedings brought against the Superintendent in his individual capacity or in his official capacity as agent and employee of the District if the incident in question arose while the Superintendent was acting within the course and scope of his employment and in conformity with the policies of the District. This defense and indemnity excludes criminal or other illegal acts and any other act, action or omission of the Superintendent which is determined to have been done, taken, or committed with malice or with intent to cause the injury or damage suffered by the claimant. This provision does not apply if the Superintendent is found to have materially breached his contract, to have acted with gross negligence or with intent to have violated a person's clearly established legal rights, to have acted outside the course and scope of his employment, to have engaged in criminal conduct, or to have engaged in official misconduct. This provision also does not apply to criminal investigations or proceedings. At its sole discretion, the District may fulfill the obligation under this paragraph by purchasing insurance coverage for the benefit of the Superintendent or by including the Superintendent as a covered party under any contract providing errors and omissions insurance coverage purchased for the protection of the Board and the professional employees of the District. The Board may retain attorneys to represent the Superintendent in any proceeding for which he could seek indemnification under this paragraph, to the extent that damages are recoverable or a defense is provided under any such contract of insurance. In no event shall any individual Board member, present or future, be personally liable for defending or indemnifying the Superintendent against any such demands, claims, suits, actions and legal proceedings. The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in any such proceedings. The Superintendent shall reasonably cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The Superintendent's obligation under this paragraph and the obligation of the District under this paragraph shall continue after the termination of this Contract .

### **III. Compensation**

**3.1 Salary.** The District shall provide the Superintendent with an annual salary in the sum of Two Hundred and Ten Thousand Dollars (\$210,000). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies. In computing a daily rate under a provision of this Contract, it shall be computed using the annual salary, as adjusted, without inclusion of any other amount of compensation, and using a 226 day Contract year.



**3.2 Salary Adjustments.** At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract except by mutual agreement of the two parties, if done in accordance with Sections 21.4032 or 21.212 of the Texas Education Code, or to implement a furlough program applicable to the Superintendent in accordance with state law. Such adjustments shall be made pursuant to a lawful Board action. In such event, the parties agree to provide their best efforts and reasonable cooperation to execute a new contract or contract amendment or addendum incorporating the adjusted salary.

**3.3 Leave.** The Superintendent may take, at the Superintendent's choice, with prior notice to the Board President, the same number of days of leave authorized by policies adopted by the Board for administrators on twelve-month contracts. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts. The Superintendent may accrue and carry over unused vacation days and personal leave days from year to year and carried over into subsequent years of this Contract in accordance with Board policy or with the approval of the Board. In addition to all approved school holidays, the Superintendent shall be provided ten (10) paid vacation days per year.

**3.4 Sick Leave.** Upon termination of this contract because of death, retirement, resignation, or permanent disability of the Superintendent and to the extent allowed by applicable law, the District shall purchase the Superintendent's unused sick leave days at the Superintendent's daily rate at the time of purchase.

**3.5 Insurance.** The Superintendent shall have access to health insurance pursuant to the group health care plan provided by the District for its administrative employees. The District shall pay the premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent pursuant to the core group health care plan provided by the District for its administrative employees. The District shall also provide the Superintendent with a term life insurance policy of the Superintendent's choice, with a death benefit not to exceed \$500,000.00 (Five Hundred Thousand Dollars and 00/100). The annual premium for such life insurance policy shall not exceed three thousand and No/100 Dollars (\$3,000.00). The Superintendent shall designate the beneficiary of the proceeds of this life insurance policy.

**3.6 Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at and participation in appropriate professional meetings at the local, regional, state and national levels. The Board shall encourage the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the

Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement, the Board shall permit a reasonable amount of release time for the Superintendent to attend to such matters, and reasonable and necessary fees for travel and subsistence expenses for such matters shall be paid by the District in accordance with the expenses provisions (Section 3.8) herein.

**3.7 Civic Activities.** The Superintendent is encouraged to participate in community and civic affairs. The expense of such activities, subject to Board approval, shall be borne by the District.

**3.8 Expenses.** The District shall pay or reimburse the Superintendent for reasonable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel outside the boundaries of the District and the City of Brownsville for school district business. Such actual or incidental costs may include, but are not limited to, gasoline, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

**3.9 Organizational Membership Dues.** The District will annually pay dues/membership in selected key professional organizations that will benefit the Superintendent and the school district. The District shall pay the Superintendent's membership dues to the American Association of School Administrators and the Texas Association of School Administrators, as well as other memberships, specifically approved by the Board from time to time, as necessary to maintain and improve the Superintendent's professional skills or to represent the school district's interests.

**3.10 Automobile.** In light of the unique nature of the professional duties of the Superintendent of Schools, Board shall provide Superintendent with an automobile allowance of Six Thousand Dollars and 00/100 (\$6,000.00) annually for local travel and expenses to be paid equally over twelve (12) months (Five Hundred Dollars and 00/100 (\$500.00) per month).

#### **IV. Annual Performance Goals**

**4.1 Development of Goals.** On or before September 1<sup>st</sup> of every year during the term of this Contract, the Superintendent and the Board shall develop the goals for the District. These goals may be reevaluated for purposes of this Contract for the 2011-2012 Contract year by February 15, 2012. The parties may, by mutual agreement, change the date to set goals. The goals approved by the Board shall be reduced to writing and shall be among the criteria on which the Superintendent's performance will be reviewed and evaluated.

## V. Review of Performance

5.1 **Time and Basis of Evaluation.** Beginning in the school year 2011-2012, at a minimum the Board shall evaluate and assess in writing the performance of the Superintendent annually by June of every year covered by this Contract. The parties may, by mutual agreement, change the time period to complete the evaluation. The evaluation and assessment shall be related to the duties of the Superintendent as outlined in the Superintendent's job description and to the adopted annual goals outlined in Subsection 4.1. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. Unless the Superintendent specifically requests otherwise in accordance with applicable law, all meetings, conferences, and discussions by the Board concerning the Superintendent's performance shall be held in closed, session and shall be considered confidential to the extent permitted by law. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

5.2 **Performance Benchmarks.** The Board and the Superintendent further agree to establish written performance benchmarks for the Superintendent by February 15, 2012 and by September 1<sup>st</sup> of each year of the Contract. The parties may, by mutual agreement, change the date to establish performance benchmarks. The purpose of the benchmarks is to provide additional information and data to the Board and Superintendent to aid in the Superintendent's annual evaluation. The Board and the Superintendent shall meet and collaborate in establishing the performance benchmarks. The final draft shall be agreed to and approved by both the Board and the Superintendent, and signed by the Board President and the Superintendent. The performance benchmarks are retroactive to the beginning date of this Contract.

## VI. Termination or Amendment of Employment Contract

6.1 **Mutual Agreement.** This Contract may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.

6.2 **Retirement, Disability, or Death.** This Contract shall be terminated upon the retirement, disability preventing performance of duties, or death of the Superintendent.

6.3 **Dismissal for Good Cause.** The Board may dismiss the Superintendent during the term of the Contract for good cause in accordance with state law and Board policy.

6.4 **Disability of Superintendent.** Should the Superintendent be unable to perform any or all of the duties of his position by reason of illness or accident, he may use all accumulated state sick leave days, local sick leave days, nonduty days and vacation days. After exhausting all accrued paid leave days, if the Superintendent cannot resume his duties, a



determination of disability will be made by the Board based on a physical examination performed by a licensed physician selected by the Superintendent. The Board may obtain a second opinion from another licensed physician of its choosing. If the Superintendent is determined to be disabled and incapable of resuming all of his material duties and obligations of employment, the District and the Superintendent hereby mutually agree that this Contract will terminate at that time without the necessity of any further action by the Board or the Superintendent, and the Superintendent hereby waives all his rights to a hearing in consideration for the lump-sum payment of three months salary and benefits by the District upon termination of this Contract due to disability.

6.5 **Termination Procedure.** In the event the Board proposes the termination of this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies, and state and federal law.

6.6 **Resignation of Superintendent.** The Superintendent may leave the employment of the District at the end of a school year without penalty by providing written notice to the Board as provided by state law. The Superintendent may resign, with the consent of the Board, at any other time.

6.7 **Financial Exigency.** In the event of a financial exigency declared under Section 44.011 of the Texas Education Code that requires reduction in personnel, the District may choose to amend the terms of the contract of the Superintendent. If the contract is amended under this Code section, the Superintendent may resign without penalty by providing reasonable notice to the Board of Trustees and may continue employment during this notice period under the terms of the Contract before amendment.

#### **Article VII. Miscellaneous**

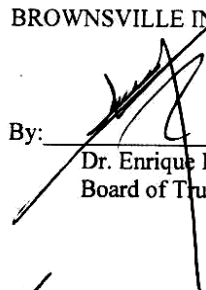
7.1 **Controlling Law.** This Contract shall be governed by the laws of the State of Texas and shall be performable in Cameron County, Texas, unless otherwise provided by law.

7.2 **Complete Agreement.** This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein. Superintendent expressly acknowledges that he sought and received advice, as he has deemed necessary or appropriate relative to this contract, including, but not limited to, seeking the advice of legal or other counsel. Superintendent acknowledges that he has entered this contract freely and is knowledgeable about and understands the terms and conditions governing this contract.

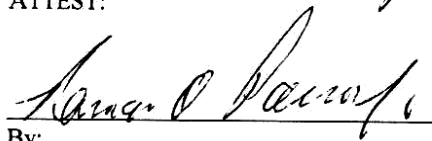
7.3 **Conflicts.** In the event of any conflict between the terms, conditions and provisions of this Employment Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

7.4 **Savings Clause.** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

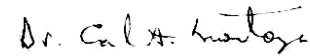
By:   
Dr. Enrique Escobedo, Jr., President  
Board of Trustees, Brownsville ISD

ATTEST:

  
By:

Executed this February day of 19, 2013.

SUPERINTENDENT

By:   
Dr. Carl A. Montoya

Executed this February day of 19, 2013.

  
2-19-13

TH506441.2

**DISCLOSURES:**

**#2 – SUPERINTENDENT & BOARD MEMBERS REIMBURSEMENTS**

**#3 – OUTSIDE COMPENSATION AND/OR FEES RECEIVED BY THE SUPERINTENDENT FOR PROFESSIONAL CONSULTING AND/OR OTHER PERSONAL SERVICES**

<b>Superintendent and Board Members Reimbursements For Fiscal Year 2012</b>						
<b>Name</b>	<b>Lodging</b>	<b>Meals</b>	<b>Motor Fuel</b>	<b>Other</b>	<b>Transportation</b>	<b>Total</b>
Dr. Carl A. Montoya	\$ 3,493.91	\$ 407.10	\$ -	\$ 2,195.00	\$ 4,344.54	\$ <b>10,440.55</b>
Dr. Enrique Escobedo	1,346.71	470.00	-	685.00	1,191.84	\$ <b>3,693.55</b>
Caty Presas-Garcia	2,424.20	810.00	-	2,380.00	3,846.38	\$ <b>9,460.58</b>
Minerva Peña	1,045.95	545.00	-	876.40	2,640.10	\$ <b>5,107.45</b>
Dr. Christina L. Saavedra	1,778.06	1,917.06	-	2,460.00	3,506.00	\$ <b>9,661.12</b>
Rolando Aguilar	-	-	-	-	-	\$ -
Joe Colunga	1,377.18	580.00	-	7.52	1,251.22	\$ <b>3,215.92</b>
Luci B. Longoria	1,166.16	845.00	-	1,866.80	3,138.25	\$ <b>7,016.21</b>
	<b>\$ 12,632.17</b>	<b>\$ 5,574.16</b>	<b>\$ -</b>	<b>\$ 10,470.72</b>	<b>\$ 19,918.33</b>	<b>\$ 48,595.38</b>

<b>Outside Compensation and/or Fees Received by the Superintendent Professional Consulting and/or Other Personal Services in Fiscal Year 2012</b>	
<b>Name(s) of Entity(ies)</b>	<b>Amount</b>
	\$ -
<b>Total</b>	<b>\$ -</b>

**DISCLOSURES:**

**#4 – GIFTS RECEIVED FROM EXECUTIVE OFFICER & BOARD MEMBERS**

**#5 – BUSINESS TRANSACTIONS BETWEEN SCHOOL DISTRICT & BOARD MEMBERS**

**Gifts Received by the Executive Officer(s)  
and Board Members in Fiscal Year 2012**

<u>Name</u>	<u>Reported Amount</u>
Dr. Carl A. Montoya	\$ -
Dr. Enrique Escobedo	-
Caty Presas-Garcia	-
Minerva Peña	-
Dr. Christina L. Saavedra	-
Rolando Aguilar	-
Joe Colunga	-
Luci B. Longoria	-
<b>Total</b>	<b>\$ -</b>

**Business Transactions Between School District  
and Board Members for Fiscal Year 2012**

<u>Name</u>	<u>Reported Amount</u>
Dr. Enrique Escobedo	\$ -
Caty Presas-Garcia	-
Minerva Peña	-
Dr. Christina L. Saavedra	-
Rolando Aguilar	-
Joe Colunga	-
Luci B. Longoria	-
<b>Total</b>	<b>\$ -</b>

**DISCLOSURE:**

**#6 – A SUMMARY SCHEDULE OF THE DATA SUBMITTED TO THE TEXAS EDUCATION AGENCY FOR THE FINANCIAL SOLVENCY PROVISIONS OF TEXAS**

**A. Summary schedule of data submitted under the financial solvency provisions of TEC section 39.0822**

**General Fund – First Quarter (first three months of fiscal year 2012-2013) expenditures by object code. Amounts should listed by whole numbers.**

Payroll	Expenditures	Object codes 6110-6149	\$63,348,850
Contract Costs	Expenditures for services rendered by firms, individuals and other organizations.	Object code series 6200	\$ 5,737,281
Supplies and Materials	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers equipment, vehicles, grounds and facilities.	Object code series 6300	\$ 2,408,458
Other Operating	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service and capital outlay.	Object code series 6400	\$ 1,163,128
Debt Service	Expenditures for debt service.	Object code series 6500	\$ 127,875
Capital Outlay	Expenditures for land, buildings and equipment.	Object code series 6600	\$ 556,415

**B. Within the last two years, did the school district:**

	Yes	No
Draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive and		<b>X</b>
For the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?		<b>X</b>

**C. Financial exigency disclosure:**

	Yes	No
Has the school district declared financial exigency within the past two years?		<b>X</b>

**D. Selected trend information:**

**Did the report supplemental comments or explanations for significant or measures involving**

	<b>Yes</b>	<b>No</b>
Student-to-staff ratios?		<b>X</b>
Fund Balances in General Fund?		<b>X</b>
Budget figures and projected revenues and expenditures?		<b>X</b>
Other?		

**E. Superintendent:**

How many superintendents has the school district had in the last five years?	<b>3</b>
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**F. Business Manager:**

How many business managers has the school district had in the last five years?	<b>4</b>
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