



Brownsville Independent School District



Presentation of the Texas Education Agency

School **FIRST**

Financial **I**ntegrity **R**ating **S**ystem of **T**exas

Financial Management Report
For Fiscal Year Ended June 30, 2009

“Superior Achievement”



Financial Integrity Rating System of Texas

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Introduction

Senate Bill 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system, which is referred to as School FIRST. The primary goal of School FIRST is to improve the management of school districts' financial resources. School FIRST was developed in consultation with the Comptroller of Public Accounts, and its development also benefited from the many comments that were received from school district and regional education service center personnel. The school district FIRST rating is based on an analysis of staff, student data, budgetary and actual financial data for the fiscal year ended June 30, 2009.

Senate Bill 218 also requires each school district to prepare an Annual Financial Accountability Management Report. This annual report is centered on the results of the Financial Integrity Rating System of Texas (FIRST) worksheet. The FIRST worksheet was a collaborative effort between the Texas Education Agency (TEA), the Texas Business & Educational Council (TBEC) and the Texas Association of School Business Officials (TASBO).

The four ratings for Texas school districts are: Superior Achievement, Above Standard Achievement, Standard Achievement and Substandard Achievement.

The School FIRST worksheet consists of twenty-two indicators that measure not only a school district's financial stability but also its academic standing. The first six indicators are considered "critical" indicators in that a negative score to one or more of these will result in a "substandard" rating for a school district. If a school district receives an unacceptable score for indicators 1, 2, 3 or 4, the school district automatically receives a "substandard" rating. If a school district receives an unacceptable score for both indicators 5 and 6, this too will result in a "substandard" rating.

Indicators 7 through 22 are point based, with points ranging from three to five points depending on the indicator. Some indicators allow for the proration of points whereby a school district can earn 1, 2, 3 or more points, whereas other indicators only allow a school district to earn the maximum points or none.

The maximum total score is 80 points. The first six indicators are based in "passed or failed" score. All other indicators allow for a maximum of 5 points. The Brownsville Independent School District earned 78 points or **97.50%**.

The district earned a "Superior Achievement" rating for fiscal year ended June 30, 2009.

Indicators (#1 through #8)

Indicator #	Indicator Description	FY 07-08	FY 08-09
1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	Passed	Passed
2	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?	Passed	Passed
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	Passed	Passed
4	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)?	Passed	Passed
5	Was There An Unqualified Opinion In Annual Financial Report?	Passed	Passed
6	Did the Annual Financial Report Not Disclose Any Instance(s) of Material Weaknesses in Internal Controls?	Passed	Passed
7	Did the Districts Academic Rating Exceed Academically Unacceptable?	5 Pts.	5 Pts.
8	Was the Three-Year Average Percent of Total Tax Collections (Including Delinquent) Greater than 98%?	5 Pts.	5 Pts.

Indicators (#9 through #15)

Indicator #	Indicator Description	FY 07-08	FY 08-09
9	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)?	5 Pts.	5 Pts.
10	Were Debt Related Expenditures (Net of IFA and/or EDA Allotment) < \$350.00 Per Student?	5 Pts.	5 Pts.
11	Was There No Disclosure In The Annual Audit Report of Material Noncompliance?	5 Pts.	5 Pts.
12	Did The District Have Full Accreditation Status In Relation to Financial Management Practices?	5 Pts.	5 Pts.
13	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	5 Pts.	5 Pts.
14	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed?	5 Pts.	5 Pts.
15	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?	5 Pts.	5 Pts.

Indicators (#16 through #22)

Indicator #	Indicator Description	FY 07-08	FY 08-09
16	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	5 Pts.	5 Pts.
17	Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To District Size?	5 Pts.	5 Pts.
18	Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To District Size?	4 Pts.	3 Pts.
19	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?	5 Pts.	5 Pts.
20	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?	5 Pts.	5 Pts.
21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	5 Pts.	5 Pts.
22	Were Investment Earnings In All Funds More Than \$20 Per Student?	4 Pts.	5 Pts.

Indicator 17	Range for Ratios		Indicator 18	Range for Ratios	
District Size – Number of Students Between	Low	High	District Size – Number of Students Between	Low	High
<500	7	22	<500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=>10000	13.5	22	=>10000	7.0	14

Determination of Rating

A.	Did The District Answer No to Indicators 1, 2, 3, or 4? OR Did The District Answer ‘No’ To Both 5 and 6? If so, the District’s Rating Is Substandard Achievement.	
B.	Determine Rating By Applicable Range For Summation Of The Indicator Scores (Indicators 7-22)	
	Superior Achievement	72-80 and Yes to indicator 7
	Above Standard Achievement	64-71 or ≥ 72 and No to indicator 7
	Standard Achievement	56-63
	Substandard Achievement	<56 or No to one default indicator

Indicators #1 through #22

Indicator #1

Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?

School districts must legally have a fund balance to ensure adequate funding for operations. This indicator is designed to ensure that the district has a positive amount of fund balance cash (savings) that is not designated or “reserved” for a specific purpose. In other words, “Does your district have funds set aside for a rainy day?”

Brownsville I.S.D.’s unreserved fund balance at June 30, 2009 was \$120,121,967. The previous year unreserved fund balance was \$137,378,484.

FY 2007-2008	FY 2008-2009
Passed	Passed

Indicator #2

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)

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)?” fortunately this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and that total debt may exceed the total amount of assets under certain scenarios.

Brownsville I.S.D.’s total unrestricted net asset balance at June 30, 2009 was \$153,762,955.

FY 2007-2008	FY 2008-2009
Passed	Passed

Indicator #3

Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?

This indicator seeks to make certain that the district has paid bills/obligations on bonds issued to pay for school construction, etc.

Brownsville I.S.D. has not had any instance of default on bonded indebtedness obligations.

FY 2007-2008	FY 2008-2009
Passed	Passed

Indicator #4

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)?

A simple indicator. Was your Annual Financial Report filed by the deadline?

The Brownsville I.S.D. Annual Financial and Compliance Report was submitted before the TEA deadline of December 28, 2009.

FY 2007-2008	FY 2008-2009
Passed	Passed

Indicator #5

Was There An Unqualified Opinion In Annual Financial Report?

A “qualification” on the financial report means that the 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 Report. This is a simple “Yes” or “No” indicator.

The Brownsville I.S.D. has received an unqualified opinion on its Annual Financial and Compliance Report for the fiscal year ended June 30, 2009.

FY 2007-2008	FY 2008-2009
Passed	Passed

Indicator #6

Did The Annual Financial Report Not disclose Any Instance(s) Of Material Weaknesses In Internal Controls?

A clean audit of the Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed.

No material weaknesses in internal controls were disclosed in the Brownsville I.S.D.’s Annual Financial and Compliance Report.

FY 2007-2008	FY 2008-2009
Passed	Passed

Indicator #7

Did The Districts Academic Rating Exceed Academically Unacceptable?

This indicator simply asks whether the district's accreditation status is in good standing.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #8

Was The Three-Year Average Percent Of Total Tax Collections ((Including Delinquent) Greater Than 98%?

This indicator measures the district's success in collecting the taxes owed by the district's community's businesses and homeowners.

The Brownsville I.S.D.'s tax collection rate at June 30, 2009 was 99.50%

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #9

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)?

This indicator measures the quality of data reported to PEIMS and in the District's Annual Financial Report to make certain that the data reported in each case "matches up". If the difference in numbers reported in any fund type is more than 3 percent, the district "fails" this measure.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #10

Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five -Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student).

This indicator shows the legislature's intent for school districts to spend money on education, rather than buildings, by limiting the amount of money districts can spend on debt to \$350 per student. The legislature did allow for fast growing schools to exceed this cap.

Brownsville I.S.D.'s debt expenditures (net of IFA/EDA allotments) per student were \$125.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #11

Was There No disclosure In The Annual Audit Report Of Material Noncompliance?

A “No” disclosure means the Annual Audit Report includes no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.

The Brownsville I.S.D. Annual Financial and Compliance Report at June 30, 2009 did not have any disclosure of material noncompliance.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #12

Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No conservator Or Monitor Assigned)

Did TEA take over control of the district due to financial issues such as fraud or having a negative fund balance? If not the district passed this indicator.

The Brownsville I.S.D. had full accreditation status at June 30, 2009.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #13

Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?

Did the district overspend its budget? The district will receive a negative rating on the measure if its total expenditures and other uses for fiscal year exceeded its total funds available.

Brownsville I.S.D.'s total revenues, other sources and fund balance in the General fund exceeded total expenditures and other uses by \$162,566,658.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #14

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)

Did the district overspend on school buildings or other capital projects? This indicator measures the district's ability to construct facilities without damaging its fund balance.

Fund balance in the General Fund was \$176,102,088 and \$134,952,621 in Capital Project Funds. These amounts indicate that the District has not overspent on construction projects.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #15

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)

This indicator measures whether or not the district has sufficient cash and investments to balance fund balance monies such as TEA overpayments (deferred revenues). In other words, the 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.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #16

Was The Administrative Cost Ratio Less Than The Threshold Ratio?

TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration. Did you exceed the cap for districts of the district’s size?

TEA’s acceptable administrative cost ratio is 11.05%, whereas the Brownsville I.S.D.’s administrative cost ratio was 7.41% at June 30, 2009.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #17

Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To District Size?

This indicator measures the pupil-teacher ratio to ensure that it is within TEA recommended ranges for districts of the local district's size. For example, districts with a student population greater than 10,000 should have no more than 22.0 students per teacher and no fewer than 13.5 students per teacher. Brownsville I.S.D. student/teacher ratio was 14.61 at June 30, 2009.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #18

Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To District Size?

This indicator measures the pupil-staff ratio to ensure that it is within TEA recommended ranges for districts of the local district's student population. For example, districts with a student population greater than 10, 000 should have no more than 14 students per staff member and no fewer than 7.0 students per district employee.

Brownsville I.S.D. ratio of students per total staff was 6.528 at June 30, 2009.

FY 2007-2008	FY 2008-2009
4 pts.	3 pts.

Indicator #19

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?

Exhibit C-1 in the district's Annual Financial Report shows a fund balance of \$148,871,429 for the General Fund. Exhibit J-3 provides an "Optimum Fund Balance" of \$118,100,497. The districts should have no less that one-half and no more than one and one-half times the "Optimum Fund Balance" in the General Fund. The Brownsville I.S.D.'s General Fund "fund balance" was within these limits.

Optimum Fund Balance *0.5 = \$ 59,050,249
Optimum Fund Balance *1.5 = \$177,150,746
General Fund "fund balance" = \$148,871,429

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #20

Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years? (If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General In The General Fund, Then District Receives 5 Points)

Is the district "feeding off of the district's fund balance" to pay for salaries or other district operating expenses? This indicator notes rapid decreases in a district's undesignated fund balance (those dollars not designated for future uses, such as purchase of land, construction, etc.)

Brownsville I.S.D.'s General Fund total revenues exceeded total expenditures, resulting in a "5 points" answer to this criteria.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #21

Was the Aggregate Total Of Cash And Investments In The General Fund More Than \$0?

Does the district have cash in the bank and/or investments?

This indicator simply confirms that the school district has cash in the bank or in investments. At June 30, 2009 the Brownsville I.S.D. General Fund had \$167,402,885 in cash and investments.

FY 2007-2008	FY 2008-2009
5 pts.	5 pts.

Indicator #22

Were Investment Earnings In All Funds (Excluding Debt Service Fund And Capital Projects Fund) More Than \$20 Per Student?

Is the district using its cash or fund balance wisely?

This indicator verifies that the District is investing its money wisely and getting a good return on its investments. The investment earnings per student was \$66.9615 per student, above the TEA standard of \$20.00 per student.

FY 2007-2008	FY 2008-2009
4 pts.	5 pts.



Financial Integrity Rating System of Texas

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Texas Administrative Code

Chapter 109: Disclosures

Disclosure #1

Copy of Superintendent's Current Contract

Texas Administrative Code (TAC) § 109.1005 (b)(2)(A) requires that the superintendent's current contract be part of the School FIRST management report.



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RENEWAL AND NONRENEWAL OF EMPLOYMENT

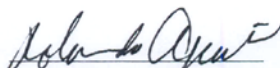
6. Renewal or nonrenewal of the Superintendent's employment with BISD shall be considered by the Board in the last year of the Superintendent's contract of employment. Nonrenewal of employment shall be subject to and comply with the applicable provisions contained in Subchapter E (*Term Contracts*), of Chapter 21, Subtitle D, Title 2, of the Texas Education Code, and Board policy.

CERTIFICATION

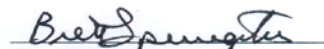
7. The Superintendent shall be certified according to the certification requirements established by the State Board for Educator Certification for the State of Texas. This contract is conditioned on the Superintendent providing the necessary certification and service records required for BISD personnel files or payroll purposes according to Board policy, State Board for Educator Certification rules, and Texas Education Agency rules. Failure to provide the necessary certification shall render this contract void from its inception.

POWERS, DUTIES AND RESPONSIBILITIES

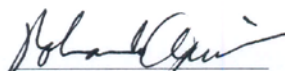
8. The Superintendent shall be the chief executive officer, educational leader and administrative manager of BISD and, as such, shall be charged with the responsibilities of performing the duties pertaining to the office of Superintendent, as prescribed by law, this contract, Board policy, the job description, and Board directive, as is currently in force and as may be herein after modified or amended from time to time during the term of the Superintendent's employment with BISD. The Superintendent shall be subject to and comply with the lawfully adopted Board policies, federal and state laws and regulations, the Code of Ethics and Standard Practices for Texas Educators, Texas Professional Standards for Superintendents, and rules and directives of the Board, now in place and as may be modified or amended from time to time during the term of his employment with BISD.


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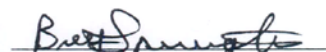
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9. The Superintendent shall have the powers and responsibilities necessary to accomplish the efficient administration and supervision of the entire school system. The Superintendent's duties shall include, but shall not necessarily be limited to, those duties as set out in §11.201 of the Texas Education Code, this contract, Board policy, the official job description for the position, and Board directives, all as may be amended from time to time during the term of the Superintendent's employment with BISD, which duties are specifically incorporated herein and made a part hereof. The Superintendent shall perform those duties with reasonable care, skill, and diligence.
10. In addition to all other rights, duties and responsibilities conferred on the Superintendent by law, this contract, Board policy and directive, and the job description, the Superintendent shall direct, assign, and reassign the personnel of the school district for the efficient operation and best interest of the school district, including staff for instruction and business affairs; and in the case of administrative assignment and/or reassignment, the Superintendent shall advise the Board prior to administrative assignment and/or reassignment.
11. 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.
12. The Superintendent shall have the right to and shall attend all meetings of the Board and all Board committee meetings, both open and closed, and may participate in the deliberations of the Board at all such meetings, with the exception of those closed meetings of the Board involving the Superintendent's evaluation, consideration of the terms of the Superintendent employment as set forth in this Contract, and/or when the Board is acting as a tribunal. If the Superintendent is unable to attend a Board meeting,


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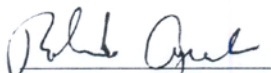
he shall designate one or more members of the District's administrative staff to attend the meeting on behalf of the District Administration.

The Board, individually and collectively, shall promptly refer all criticisms, complaints and suggestions, regardless of the source, called to its attention to the Superintendent for study and appropriate action or recommendation, pursuant to applicable Board policies. The Superintendent shall promptly investigate such matters and shall periodically inform the Board of the results or status of such matters, consistent with applicable Board policies.

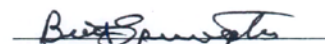
EVALUATION OF SUPERINTENDENT

13. In accordance with State law and Board policy, the Board shall have an evaluation system that provides an annual written evaluation of the Superintendent. The evaluation of the Superintendent shall be consistent with existing BISD policies BJCD (Legal) and BJCD (Local) and shall be consistent in form with BISD policy BJCD (Exhibit). Any changes in the evaluation system proposed by the Board shall be consistent with State law. In the event the Board proposes changes to the evaluation system, the Superintendent shall be involved in developing, selecting, and/or revising the appraisal instrument and process.

14. The Board and the Superintendent further agree to establish written performance benchmarks for the Superintendent by April 1, 2010. 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 benchmarks are effective retroactively to December 15, 2009. The signed benchmarks shall be attached to this contract and labeled Exhibit "A".


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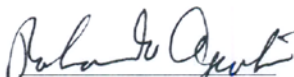

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15. On an annual basis, at a closed executive session of the Board, the Board shall evaluate the Superintendent and provide him with a copy of the completed evaluation and shall discuss its conclusions with him. To the extent permissible under law, a confidential written record of these deliberations shall be made and kept in the files of the Board.

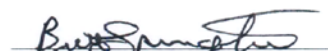
PROFESSIONAL GROWTH AND OUTSIDE ACTIVITIES

16. The Superintendent shall devote his time, attention and energy to the direction and supervision of the school system. The Board encourages, however, the continuing professional growth of the Superintendent through his participation, as the Board and he might decide in light of his responsibilities as Superintendent, in:
- The operations, programs, conferences and other activities conducted or sponsored by local, state and national school administrator and/or school board associations;
 - Local, state and national conferences, seminars and courses offered by public or private institutions, commissions or committees related to education;
 - Information meetings with persons whose particular skills or backgrounds would serve to improve the capacity of the Superintendent to perform his professional responsibilities for BISD.

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 BISD in accordance with the business expenses provisions herein.


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COMPENSATION

17. Effective December 15, 2009 the Superintendent shall receive, as compensation for his employment with BISD, an annual salary of One Hundred Ninety Eight Thousand and No/100 Dollars (\$198,000.00), payable in installments of one-twelfth (1/12) of the total annual salary on the last work day of each month for his services rendered during the preceding month or in accordance with the schedule of salary payments in effect for other certified employees, at the option of the Superintendent.
18. At any time after the annual review of this contract, the Board may, in its sole 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 paragraph ~~16.~~ 17.

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BUSINESS EXPENSES

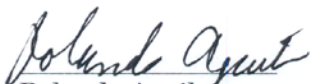
19. BISD shall pay or reimburse the Superintendent for reasonable and necessary expenses approved by the Board and incurred by the Superintendent in the continuing performance of his duties and activities under this contract, in accordance with Board policy, as permitted by State law and as approved by the Board in the annual budget.


AUTOMOBILE

20. 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).

LEAVE AND VACATION

21. The Superintendent shall be entitled to all the leave benefits applicable to twelve


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month administrative employees, as are incident to their employment relationship with BISD and as are provided for by District policy.

22. In addition to all approved school holidays, the Superintendent shall be provided ten (10) paid vacation days per year.

SICK LEAVE

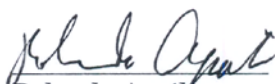
23. Upon termination of this contract because of death, retirement, resignation, or permanent disability of the Superintendent and to the extent allowed by applicable law, BISD shall purchase the Superintendent's unused sick leave days at the Superintendent's daily rate at the time of purchase.

MEDICAL INSURANCE

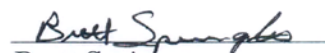
24. BISD shall pay the premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent and dependants pursuant to the core group health care plan provided by the District for its administrative employees. BISD shall also provide the Superintendent with a term life insurance 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.

MEMBERSHIP IN PROFESSIONAL/SERVICE ORGANIZATIONS

25. BISD shall pay 100% of the Superintendent's membership charges to the American Association of School Administrators, the Texas Association of School Administrators, and other professional dues and/or service club/organization dues/fees as the Superintendent and the Board deem necessary to maintain and improve 'the Superintendent's professional skills and/or benefit BISD, as permitted by State law and Board policy.


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PROFESSIONAL LIABILITY

26. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District shall defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses, and attorneys' fees (hereinafter referred to collectively as "Demands,") incurred in any legal proceedings brought against the Superintendent in his individual or official capacity as an employee and as Superintendent of the District, providing the incident(s) that is (are) the basis of any such Demands arose or arises in the future from an act or omission of the Superintendent as an employee of the District, acting within the course and scope of his employment with the District; excluding, however, any such Demands for those claims or any causes of action where it is determined that:


- (a) the Superintendent engaged in criminal conduct, or
- (b) the Superintendent engaged in official misconduct, or
- (c) the Superintendent engaged in a willful or wrongful act or omission, or
- (d) the Superintendent engaged in an act or omission constituting gross negligence, or
- (e) the Superintendent engaged in an act of bad faith, or
- (f) any costs, fees, expenses or damages would be recoverable or payable under an insurance contract held either by the District or by Superintendent.

The selection of Superintendent's legal counsel shall be by the Board, after consultation with the Superintendent. A legal defense may be provided through insurance coverage, in which case Superintendent's right to input regarding legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 7 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 7 shall survive the termination of this Contract.



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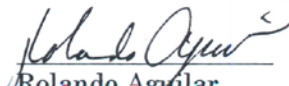
All other terms and obligations created by this Contract notwithstanding, the District shall not be required, in any event, to defend, hold harmless and/or pay any costs associated with any proceeding where the Superintendent and the District and/or the Board are named as adversarial parties in such Demands, provided that neither the District, the Board, Board member nor District representative joins the proceeding as a named adverse party in order to avoid providing a defense to the Superintendent.

TERMINATION OF EMPLOYMENT DURING TERM

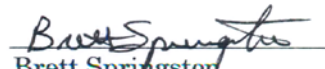
27. The Superintendent's employment with BISD may be terminated during the term of this contract, thereby terminating this contract, by reason of any of the following:
- Mutual agreement of the parties, upon such terms and conditions as may be mutually agreed upon and are considered to be in the best interests of each party;
 - Retirement of the Superintendent under the Teacher Retirement System of Texas;
 - Discharge for good cause as determined by the Board and as further set out under paragraph 29;
 - Resignation of the Superintendent, as set out under paragraph 28; or
 - Death of the Superintendent.

DISABILITY BY ILLNESS OR INCAPACITY

28. Subject to the requirements of the Americans with Disabilities Act of 1990 and other applicable law, in the event of disability of the Superintendent by illness or incapacity, after the Superintendent's applicable paid leave has been exhausted, compensation to him shall be suspended, but shall be reinstated and prorated after he has returned to employment and undertaken full discharge of his duties. BISD may terminate this contract by written notice to the Superintendent at any time after the Superintendent has exhausted any accumulated sick leave and such other


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applicable leave as may be available to employees under the Family and Medical Leave Act, state law, and/or other applicable district policy, specifically the provisions of BISD policy DEC (Legal) and DEC (Local). All obligations of the BISD under this contract shall cease upon such termination, except as may be otherwise required by law. If a question exists concerning the capacity of the Superintendent to return to his duties, the Board may require the Superintendent to submit to a medical examination, to be performed by a doctor licensed to practice medicine. The examination shall be done at the expense of BISD. The physician shall limit his or her report to the issue of whether the Superintendent has continuing physical or mental incapacity preventing performance of the Superintendent's contract of employment.

RESIGNATION

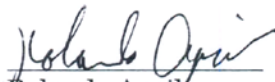
29. The Superintendent may resign and leave the employment of the BISD at the end of the school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following school year. The Superintendent may resign, with consent of the Board, at any other time.

TERMINATION FOR GOOD CAUSE

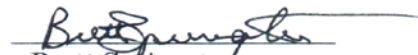
30. The Superintendent may be discharged for good cause, as determined by the Board, before the completion of the term fixed in this contract in accordance with Texas Education Code, Chapter 21, and Board policy. At the termination hearing, if the Superintendent desires counsel, the Superintendent shall employ counsel at his expense. Any appeal from the decision of the Board shall be in accordance with State law and the regulations of the Texas Education Agency.

SAVING CLAUSE

31. No partial invalidity of this contract shall affect the remainder. Forbearance or


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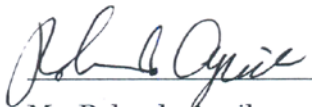
indulgence by BISD in any regard whatsoever shall not constitute a waiver of the covenants or conditions to be preformed by the Superintendent to which the same may apply, except by written consent of the Board.

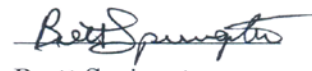
MISCELLANEOUS

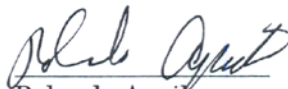
32. All previous existing agreements and contracts, oral or written, between the parties hereto respecting the employment of the Superintendent have been merged within this agreement, and this contract constitutes the entire agreement between the parties. This contract may not be amended except by written agreement of the parties.
33. 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.
34. Texas law shall govern construction of this contract. Venue in all matters affecting this contract is in Cameron County, Texas.

EXECUTED in duplicated originals this 15th day of December, 2009.

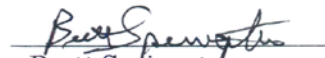
**BROWNSVILLE INDEPENDENT
SCHOOL DISTRICT**

By: 
Mr. Rolando Aguilar
President of the Board of Trustees

By: 
Brett Springston
Superintendent of Schools


Rolando Aguilar

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Disclosure #2

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2009

Name	Title	Lodging	Meals	Transportation	Other	Total
Hector Gonzales	Former Supt.	\$ 1,424.38	\$ 545.00	\$ 1,214.29	\$ 1,955.00	\$ 5,138.67
Brett Springston	Superintendent	3,205.28	597.00	2,833.83	1,585.00	8,221.11
Rolando Aguilar	President	1,494.85	840.00	1,776.63	1,050.00	5,161.48
Ruben Cortez, Jr.	Vice-President	4,496.37	2,115.00	4,606.44	1,810.00	13,027.81
Joe Colunga	Secretary	1,392.22	540.00	1,833.48	400.00	4,165.70
Rick Zayas	Asst. Secretary	1,946.96	890.00	2,065.75	1,035.00	5,937.71
Enrique Escobedo	Member	4,345.72	1,160.00	2,734.90	1,720.00	9,960.62
Minerva Peña	Member	771.64	525.00	1,008.90	805.00	3,110.54
Caty Presas-Garcia	Member	2,168.38	880.00	1,447.24	1,366.80	5,862.42
Herman Powers	Former Board Member	1,799.88	470.00	1,113.83	373.00	3,756.71
Pat Lehmann	Former Board Member	1,299.57	510.00	1,263.49	425.00	3,498.06
Susan Galvan	Former Board Member	588.57	-	797.00	425.00	1,810.57
		\$ 24,933.82	\$ 9,072.00	\$ 22,695.78	\$ 12,949.80	\$ 69,651.40

Disclosure #3

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2009

For the Twelve-Month Period Ended June 30, 2009	
Name(s) of Entity(ies)	Amount
None	\$ -
Total	\$ -

Disclosure #4

Gifts Received by the Executive Officer and Board Members In Fiscal Year 2009

Name	Title	Reported Amount
Brett Springston	Superintendent	\$ -
Rolando Aguilar	President	-
Ruben Cortez, Jr.	Vice-President	*N/A
Joe Colunga	Secretary	-
Rick Zayas	Asst. Secretary	*N/A
Enrique Escobedo	Member	*N/A
Minerva Peña	Member	-
Caty Presas-Garcia	Member	*N/A
Herman Powers	Former Board Member	-
Pat Lehmann	Former Board Member	-
Susan Galvan	Former Board Member	*N/A
Total		\$ -

* Disclosure not available

Disclosure #5

Business Transactions Between School District and Board Members For Fiscal Year 2009

Name	Title	Reported Amount
Rolando Aguilar	President	\$ -
Ruben Cortez, Jr.	Vice-President	*N/A
Joe Colunga	Secretary	-
Rick Zayas	Asst. Secretary	*N/A
Enrique Escobedo	Member	*N/A
Minerva Peña	Member	-
Caty Presas-Garcia	Member	*N/A
Herman Powers	Former Board Member	-
Pat Lehmann	Former Board Member	-
Susan Galvan	Former Board Member	*N/A
Total		\$ -

* Disclosure not available