

**Kerrville Independent School District
Board of Trustees Meeting
Monday, June 15, 2020
Open Session at 6:00 PM**

The Board of Trustees of the Kerrville Independent School District will convene Monday, June 15, 2020, in the Kerrville Independent School District Administration Building.

The items on this agenda do not necessarily have to be handled in the order listed on this notice. The presiding officer will present the following agenda:

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J. ADJOURN TO CLOSED SESSION (if necessary)	
A closed session is permissible for each meeting of the Board per policy BE (Local). For the purpose of consideration of matters for which closed sessions are authorized by Title 5, Chapter 551, Texas Government Code (.071-.084), whereupon the superintendent, at the majority vote of the Board of Trustees, may present in Closed Session for the Board's consideration or discussion subjects or matters authorized by law.	

1. Texas Government Code Section 551.074: To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing
- K. ACTION, IF ANY, AS A RESULT OF CLOSED SESSION
 - L. ADJOURNMENT

NOTICE OF REGULAR MEETING

Kerrville Independent School District Board of Trustees

Notice is hereby given that on Monday, June 15, 2020, the Board of Trustees of the Kerrville Independent School District will hold a Regular Meeting at 6:00 PM on Zoom at www.zoom.us, using the Meeting ID – 854 9290 0359 and Password – INSPR1

1. The Agenda for this meeting is attached hereto and made a part hereof for any and all purposes. The Board of Trustees may consider and discuss any items on the Agenda and may take final action on those matters designated for approval, or as “action” items.
2. The Board may adjourn into a closed meeting as authorized by the Texas Government Code, Chapter 551. Specific statutory exceptions authorizing a closed meeting will be listed in the Agenda if the Board plans to deliberate or discuss authorized matters in a closed meeting. The Agenda shall list the topics to be discussed in the closed meeting.
3. Whenever any deliberations or any portion of a meeting of the Board of Trustees of the Kerrville Independent School District are closed to the public as permitted by the Texas Government Code, Chapter 551, no final action, decision, or vote with regard to any matter considered in the closed meeting shall be made by the Board of Trustees, except in a meeting which is open to the public and in compliance with the requirements of the Texas Government Code, Chapter 551.
4. Upon conclusion of deliberations in closed meeting, and after return to open meeting, the Board of Trustees may take final action on matters permitted to be discussed in the closed meeting.
5. This Notice of Public Meeting and attached Agenda shall be posted on the front door entrance of the Administration Building, which is a place convenient to the public, located at 1009 Barnett Street, Kerrville, Texas.

I, the undersigned, do hereby certify that this Notice was posted at 4:00 p.m. on 06/12/2020, which is at least 72 hours prior to the date and time of the scheduled meeting.

KERRVILLE INDEPENDENT SCHOOL DISTRICT

By _____
Mark J. Foust, Ed.D.
Superintendent of Schools



KERRVILLE ISD

VISION 2021

An educational leader in the heart of the Hill Country, inspiring all students to become lifelong learners and productive citizens.

We Value...

- Students first
- Personalized learning experiences
- Preparing students for the future
- Continuous learning and improvement for KISD
- Sound fiscal management and aligned resources and goals

We Believe...

1. Students come first in KISD.
2. Our employees are our district's greatest asset and we are a family in KISD.
3. KISD is a values-driven, data-informed organization.
4. KISD fosters a positive environment for learning, teaching *and* for connecting with our community.
5. Every student deserves the highest quality learning experiences.
6. KISD inspires lifelong learning and a culture of continuous improvement for all students and staff.
7. KISD is a destination district in our State for academics, athletics, fine arts, and student programs.

Kerrville ISD Will...

Provide students with engaging, rigorous, and personalized academic and social-emotional learning experiences to meet individual student needs, foster student ownership in learning and develop 21st century skills for lifelong learning.

Develop future-ready students and build a strong academic foundation in literacy and math by ensuring all students are reading on grade level by grade 3 and remain on grade level and by ensuring all students successfully complete algebra coursework.

Empower all students to identify post-secondary pathways and provide personalized support for college, career, and military readiness through Science, Technology, Engineering, Arts & Math (STEAM), Career and Technology Education (CTE), workforce certification, college credit, Advanced Placement and other program opportunities.

Recruit, develop and retain employees that are student-centered, focused on continuous learning and improvement, passionate, innovative, collaborative, goal oriented and ethical.

Maintain sound fiscal management of district budgets by aligning resources to improve student learning, ensure future-ready students and meet district goals while continuously advocating for an adequate and equitable Texas public school finance system.

BOARD MINUTES
KERRVILLE INDEPENDENT SCHOOL DISTRICT

May 18, 2020

The Board of Trustees of the Kerrville Independent School District met on Monday, May 18, 2020 in a Regular Board of Trustees meeting at 6:05 p.m. in the Board Room of the School Administration Building located at 1009 Barnett Street, Kerrville, Texas.

CALL TO ORDER: Mr. Curtis Finley, President

MEMBERS PRESENT: Mr. Curtis Finley, President
Mrs. Andree Hayes
Mr. Marty Lenard
Mrs. Rolinda Schmidt, Secretary
David Sprouse, M.D.
Mr. Jack M. Stevens, Jr., Vice President
Mr. Michael Tackett

MEMBERS ABSENT: None

SCHOOL
OFFICIALS PRESENT: Mrs. Heather Engstrom
Mark J. Foust, Ed.D.
Mr. Wade Ivy
Mr. Jarrett Jachade

President stated that the notice of the meeting had been properly posted in the manner and time required by law.

ACTION ITEM

1. Oath of Office for Newly Elected Board Members and Reorganization of Board Officers

Ms. Hickman, administered the Oath of Office to the newly elected Board members, Jack Stevens and Rolinda Schmidt. Additionally, the Statement of Elected/Appointed Officers for each newly elected Board member was signed.

According to Board Policy BDAA (Local), it is timely and appropriate for the members of the Board to elect officers for next year. The policy states that the term of office for Board officers are for one year or until a successor is elected.

Dr. Sprouse made the motion, second by Mr. Tackett that the Board of Trustees keep the current Board Member officers for the 2020-2021 school year.

Motion carried 4-0!
Mr. Finley abstained.

Mrs. Schmidt abstained
Mr. Stevens abstained

OPEN FORUM

None

PUBLIC TESTIMONY ON AGENDA ITEM

NONE

ADOPT AGENDA

Jack Stevens made the motion, second by Dr. Sprouse that the Board of Trustees adopt the May 20, 2020 meeting agenda.

Motion carried 7-0!

CONSENT AGENDA

Ms. Schmidt made the motion, second by Dr. Sprouse that the Board of Trustees approve the Consent Agenda and authorize the Superintendent to implement these items.

Items listed on Consent Agenda:

1. Consider Approval of Minutes of Previous Meeting(s):
 - a. Regular Board Meeting, April 20, 2020
2. Consider Approval of Federal Grants
3. Consider Child Nutrition Lunch Price
4. Consider Engagement Letter for Independent Auditor

Motion carried 7-0!

INFORMATION ITEM(S)

1. COVID-19 Update

Dr. Foust gave the Board of Trustees an update of the communication and activities related to the district's response to Covid-19.

2. Bond 2018 Program Update

Dr. Foust gave a program update for the 2018 Bond.

3. Annual Review of Investment Policy and Investment Strategy Report

The Public Funds Investment Act requires the Board of Trustees to annually review the district's investment policy and its investment strategy. The legal requirements of the act are detailed in Policy CDA (Legal) and our local investment policy and investment strategies are contained in Policy CDA (Local).

A resolution stating that the Board of Trustees has reviewed these policies and strategies will be submitted to the Board in June for approval.

4. 2019-2020 Employee Workplace Survey Report

This year Kerrville ISD contracted with Texas Association of School Boards to conduct an employee workplace survey. Results are reported to show district-wide responses. The Board of Trustees received information on the workplace survey in the Friday Report on March 12, 2020 and May 1, 2020.

This evening Mr. Ivy presented a report on the 2019-2020 Employee Workplace Survey.

5. Kerrville ISD Leadership Development (Teacher Leadership Academy) Report

Heather Engstrom introduced two participants from the 2020 KISD Teacher Leadership Academy – Cohort 2. The teacher participants shared their experience with the Board of Trustees and discussed their Risk-Taking Opportunity projects.

Amanda Baehre represented HPMS
Hunter Miller represented TES

6. 2019-2020 Budget Update #3 Report

Mr. Jarrett Jachade presented the 2020-2021 Budget Update #3 Report.

7. Financial Reports

The Board reviewed the following monthly financial reports:

- General Operating Expenditure Report
- Property Tax Collection Report
- Purchases over \$10,000 Report

ACTION ITEM(S)

1. Consider New CTE Courses for Special Education for Adult transition students

The administration recommends the Board of Trustees approve the addition of 15 new courses at Tivy High School. The courses listed below offer additional opportunities for students who are served through age 22 to earn local credit while learning valuable postsecondary and employability skills.

Tivy High School

Community Citizenship 1-4

Community Citizenship 1-4 are locally developed courses offered to students receiving special education services. Topics focus on essential concepts that are necessary for employment and independent living, such as problem solving, following directions, interpersonal relationships, and careers.

Consumer Mathematics

Consumer mathematics is for students receiving special education services and emphasizes the operation of whole numbers, decimals, and fractions in practical life situations; and personal finance, budgeting, and banking.

Job Skills 1-4

Job Skills 1-4 are locally developed courses for local credit to students receiving special education services with a focus on applying employment-related skills. Training opportunities are delivered through classroom, campus community, and/or community training sites. Topics emphasize productive work habits and attitudes, process of career planning, and the effects of change in the work place.

Recreation and Leisure 1-2

Recreation and Leisure students focus on planning and managing social time in real world setting, as well as essential skills to be included and appropriately interact in a social activity or gathering. Students are involved with community activities.

Community Based Vocational Instruction 1-4

Community Based vocational instruction emphasizes development of skills necessary for placement in a work setting. Independent, cooperative and group activities are provided in a combination of school and community based instructional settings.

Dr Sprouse made the motion, second by Mr. Lenard that the Board of Trustees approve the addition of the local Elective courses to be implemented with the 2020-2021 school year for students who are served through special programs for vocational training.

Motion carried 7-0!

2. Consider District of Innovation Plan Amendment

District of Innovation is a provision passed during the 84th Legislative session in House Bill 1842 which allows traditional, public school systems most of the same flexibilities afforded to Public Charter Schools. To access these flexibilities, Kerrville ISD adopted an Innovation Plan as set forth in Texas Education Code, chapter 12A on February 26, 2018 at a regularly called Board meeting.

Per State law the District of Innovation Committee (FCAC), that developed the original plan, was reconvened on April 22, 2020. They voted unanimously to make an amendment to the calendar provision of the KISD Innovation Plan in response to the impact on instruction caused by the Covid-19 school closures.

The Board of Trustees received a copy of the proposed amendment to the KISD Innovation Plan in the Friday Report dated April 24, 2020. The amended wording for adjustments to the school calendar is below in italics.

To allow greater flexibility and responsiveness to student, teacher, family and community needs in the calendar development process, Kerrville ISD will be exempt from TEC 25.0811 and instead will have the flexibility to begin school no earlier than the third Monday in August in years in which a start date on the fourth Monday in August would result in five or fewer days of instruction in the month of August. *In the instance of extended school closure (i.e. Covid-19) KISD will adopt a calendar with a start date prior to the fourth Monday of August, but not before the first week of August.*

Administration recommended the Board of Trustees approve the following amendment to the District of Innovation plan as presented. The Board of Trustees must approve the amendment by at least 2/3 majority vote for the amendment to be adopted.

Ms. Schmidt made the motion, second by Dr. Sprouse that the Board of Trustees approve the District of Innovation plan as presented.

Motion carried 7-0!

3. Consider 2020-2021 School Calendar Amendment

Kerrville ISD has modified the District of Innovation plan to allow school to start prior to the 4th Monday in August, but not before the first week of August in the instance of an extended school closure similar to what we have experienced this school year because of the COVID-19 virus.

The loss of face to face instruction with our students during this school year makes it imperative that we make up for lost time during the 2020-2021 school year. To that end, administration recommends amending the previously approved calendar to allow for school to start one week earlier, and to add five days of instruction.

The amended calendar was developed with input from the Faculty Community Advisory Committee (FCAC), the FCAC Calendar Sub-committee, the Superintendent's Leadership Council (KISD Teachers of the Year) and our district and campus administrative team.

Dr. Sprouse made the motion, second by Mr. Stevens that the Board of Trustees approve the proposed revised calendar as the official 2020-2021 Kerrville ISD Calendar.

Motion carried 7-0!

4. Consider TEA Waiver of Teacher Evaluations (T-TESS)

In response to the impact on teacher evaluations caused by Covid-19 school closures we would like to submit a waiver to the Texas Education Agency for incomplete annual teacher evaluations through T-TESS.

Most teachers in the district were able to complete the annual evaluation process. The district is requesting to submit the waiver to TEA for the incomplete evaluations only. On April 22, 2020 the Facilities Community Advisory Committee approved the district waiver request. This incomplete teacher evaluations (T-TESS) waiver requires Board approval before it can be submitted to TEA.

Administration recommends the Board of Trustees approve the request for a waiver of incomplete teacher evaluations for the 2019-2020 school year.

Dr. Sprouse made the motion, second by Ms. Schmidt that the Board of Trustees approve the request for a waiver of incomplete teacher evaluations for the 20219-2020 school year.

Motion carried 7-0!

5. Consider Competitive Sealed Proposal for Phase 2 Renovation: Early Childhood Center Deck replacement project

The administration recommends approval of JK Bernhard Construction Company to complete the Phase 2 Renovation: Early Childhood Center Deck replacement project.

Dr. Sprouse made the motion, second by Mr. Lenard that the Board of Trustees approve JK Bernhard Construction Company for the Phase 2 Renovation: Early Childhood Deck replacement project.

Motion carried 6-0!

1 abstained- Mr. Tackett

6. Consider Nomination for TASB Board of Directors for Region 20

TASB has invited all districts in Region 20 to submit a nominee for Position A. Currently Rolinda Schmidt, Kerrville ISD Board of Trustee, holds the Region 20, Position A seat. The position term is three years beginning at the close of the 2020 TASA/TASB Convention and expiring after the 2023 Convention.

The TASB Board of Directors is charged with carrying out the policies established by the Delegate Assembly of the Association. The nominee should be a capable, experienced school board member who can assist in providing the Association with outstanding leadership. A director of the Board is expected to attend four meetings of the Board each year with one of the meetings being at the same time as the annual state convention in the fall. In addition, the Director will be asked to serve on a standing committee that will meet as needed in conjunction with a board meeting.

Lodging and transportation expenses incurred by the Directors attending regular Spring, Summer, and December Board meetings are reimbursed by the Association, along with the transportation and up to three nights in lodging expenses incurred attending the Convention Board meeting.

This item was presented by the administration for the Kerrville ISD Board of Trustees to nominate Mrs. Rolinda Schmidt as our representative on the TASB Board of Directors for Region 20, Position A.

Mr. Stevens made the motion, second by Dr. Sprouse that the Board of Trustees nominate Rolinda Schmidt as the Kerrville ISD representative on the TASB Board of Directors for Region 20, Position A.

Motion carried 6-0!

1 Abstained- Ms. Schmidt

7. Consider Personnel, including but not limited to Employee Performance, Resignations, Retirements, Professional Appointments, Requests for Leave of Absence, and Substitute Teacher List [This item may be discussed in closed session pursuant to Section 551.074.]

Ms.Schmidt made the motion, second by Mr.Tackett that the Board of Trustees review the professional retirement and resignations, and approve the professional appointments for 2020-2021. Professional retirements: Terri Johnson (6-1-20); Cathryn Martin (6-8-20) Professional Resignations: Megan Bassinger (6-1-20); Krista Bosse (6-1-20); Shellie Brodbeck (6-1-20); Margie Dixon (6-1-20); Melissa Dunbar (6-1-20); Gregory Harmon (6-1-20); Dani O’Neill (6-8-20); Noel Ottmers-Clark (6/1/20); Kimberlee Silerio (6-1-20); Devin Sweet (6-1-20) Elizabeth Wrase (6-1-20). Professional Appointments: Jess Bozzell – Elementary Teacher-Unassigned Pool; Sally Borden – Speech Pathologist; Andrea Broussard – math Teacher THS; Katie Dorsey – Diagnostician; Jaime Hardy – Teacher-SES; Terry Jaimes – Social Studies Teacher- THS; Luh Januwati – Elementary Teacher-Unassigned Pool; Caryn Germain – Elementary Teacher- SES; Jenna Summers - Reading Specialist- SES; and Daniel Valdez – Science Teacher- HPMS

Motion carried 7-0!

1. Administration recommended the appointment of Lauren Tilley as the Coordinator of Professional and Digital Learning for 2020-2021 school year.

Dr. Sprouse made the motion, second by Mr. Stevens that the Board of Trustees approve the appointment of Lauren Tilley as the Coordinator of Professional and Digital Learning for the 2020-2021 school year.

Motion carried 7-0!

ADJOURN TO CLOSED SESSION

The presiding officer President Finley announced at the beginning of the closed session, “The Board of Trustees on the 18th day of May 2020 beginning at 8:20 p.m. will convene in closed session in accordance with the Texas Open Meetings Act to discuss personnel.’

ACTION AS A RESULT OF CLOSED SESSION

The President of the Board of Trustees, Mr. Finley at 8:41 p.m. reconvened the meeting.
No action Taken

MEETING ADJOURNED

Mr. Stevens made a motion that the meeting be adjourned at 8:43 p.m. The meeting adjourned.

Curtis Finley, President

Rolinda Schmidt, Secretary

Communication
June 15, 2020

To: Board of Trustees
From: Mark Foust, Ed.D. and Jarrett Jachade
Re: Consider Annual Review of Investment Policy and Investment Strategy

The Public Funds Investment Act requires the Board of Trustees to annually review the district's investment policy and its investment strategy. The legal requirements of the act are detailed in Policy CDA (Legal) and our local investment policy and investment strategies are contained in Policy CDA (Local). These policies were presented to the Board of Trustees at the board meeting on May 18, 2020.

A resolution stating that the Board of Trustees has reviewed these policies and strategies is enclosed.

Enclosure: Resolution for Investment Policy and Strategies
Investment Policy CDA (Legal)
Investment Policy CDA (Local)

Action Requested
Board Approval

Policy Implications
None

Contact Person(s)
Mark Foust, Ed.D.
Jarrett Jachade

Financial Impact
None

I recommend the Board of Trustees adopt the enclosed resolution stating that it has reviewed the investment policies and strategies.

Investment Authority

The Superintendent or other person designated by Board resolution shall serve as the investment officer of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

**Approved
Investment
Instruments**

From those investments authorized by law and described further in CDA(LEGAL) under Authorized Investments, the Board shall permit investment of District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, as permitted by Government Code 2256.014.
6. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
7. Public funds investment pools as permitted by Government Code 2256.016.

Safety

The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

**Investment
Management**

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for District funds shall be

in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

Liquidity and Maturity

Any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Monitoring Market Prices

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done monthly or more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

Monitoring Rating Changes

In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

Funds / Strategies

Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

Operating Funds

Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

Custodial Funds	Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Debt Service Funds	Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
Capital Project Funds	Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.
Safekeeping and Custody	The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with District funds by the investment pool.
Sellers of Investments	<p>Prior to handling investments on behalf of the District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law. [See Sellers of Investments, CDA(LEGAL)]</p> <p>Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC) and be in good standing with the Financial Industry Regulatory Authority (FINRA).</p>
Soliciting Bids for CDs	In order to get the best return on its investments, the District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.
Interest Rate Risk	<p>To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District shall use final and weighted-average-maturity limits and diversification.</p> <p>The District shall monitor interest rate risk using weighted average maturity and specific identification.</p>
Internal Controls	A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed most important shall include:

OTHER REVENUES
INVESTMENTS

CDA
(LOCAL)

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the District's independent auditing firm.

Annual Review

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.

Annual Audit

In conjunction with the annual financial audit, the District shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.

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All investments made by a district shall comply with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and all federal, state, and local statutes, rules, or regulations. *Gov't Code 2256.026*

Definitions

Bond Proceeds	"Bond proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by a district, and reserves and funds maintained by a district for debt service purposes.
Investment Pool	"Investment pool" means an entity created under the Texas Government Code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield.
Pooled Fund Group	"Pooled fund group" means an internally created fund of a district in which one or more institutional accounts of a district are invested.
Separately Invested Asset	"Separately invested asset" means an account or fund of a district that is not invested in a pooled fund group. <i>Gov't Code 2256.002(1), (6), (9), (12)</i>
Pledged Revenue	"Pledged revenue" means money pledged to the payment of or as security for: <ol style="list-style-type: none">1. Bonds or other indebtedness issued by a district;2. Obligations under a lease, installment sale, or other agreement of a district; or3. Certificates of participation in a debt or obligation described by item 1 or 2. <i>Gov't Code 2256.0208(a)</i>
Repurchase Agreement	"Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations, described by Government Code 2256.009(a)(1) (obligations of governmental entities) or 2256.013 (commercial paper) or if applicable, 2256.0204 (corporate bonds), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement. <i>Gov't Code 2256.011(b)</i>
Hedging	"Hedging" means acting to protect against economic loss due to price fluctuation of a commodity or related investment by entering

into an offsetting position or using a financial agreement or producer price agreement in a correlated security, index, or other commodity.

Eligible Entity

“Eligible entity” means a political subdivision that has:

1. A principal amount of at least \$250 million in outstanding long-term indebtedness, long-term indebtedness proposed to be issued, or a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued; and
2. Outstanding long-term indebtedness that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation.

Eligible Project

“Eligible project” has the meaning assigned by Government Code 1371.001 (issuance of obligations for certain public improvements).

Gov’t Code 2256.0207(a)

Corporate Bond

“Corporate bond” means a senior secured debt obligation issued by a domestic business entity and rated not lower than “AA-” or the equivalent by a nationally recognized investment rating firm. The term does not include a debt obligation that, on conversion, would result in the holder becoming a stockholder or shareholder in the entity, or any affiliate or subsidiary of the entity, that issued the debt obligation, or is an unsecured debt obligation. *Gov’t Code 2256.0204(a)*

Written Policies

The board shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control. The investment policies must primarily emphasize safety of principal and liquidity and must address investment diversification, yield, and maturity and the quality and capability of investment management. The policies must include:

1. A list of the types of authorized investments in which the district’s funds may be invested;
2. The maximum allowable stated maturity of any individual investment owned by the district;
3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;

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4. Methods to monitor the market price of investments acquired with public funds;
5. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
6. Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Government Code 2256.021 [see Loss of Required Rating, below].

Gov't Code 2256.005(a), (b)

Annual Review

The board shall review its investment policy and investment strategies not less than annually. The board shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Gov't Code 2256.005(e)*

Annual Audit

A district shall perform a compliance audit of management controls on investments and adherence to the district's established investment policies. The compliance audit shall be performed in conjunction with the annual financial audit. *Gov't Code 2256.005(m)*

Investment
Strategies

As an integral part of the investment policy, the board shall adopt a separate written investment strategy for each of the funds or group of funds under the board's control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the district;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

Gov't Code 2256.005(d)

Investment Officer

A district shall designate by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees as investment officer(s) to be responsible for the investment of its funds consistent

with the investment policy adopted by the board. If the board has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the contracting board's district. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the board retains the ultimate responsibility as fiduciaries of the assets of the district. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the district. Authority granted to a person to invest the district's funds is effective until rescinded by the district or until termination of the person's employment by a district, or for an investment management firm, until the expiration of the contract with the district. *Gov't Code 2256.005(f)*

A district or investment officer may use the district's employees or the services of a contractor of the district to aid the investment officer in the execution of the officer's duties under Government Code, Chapter 2256. *Gov't Code 2256.003(c)*

Investment Training Investment training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act. *Gov't Code 2256.008(c)*

Initial Within 12 months after taking office or assuming duties, the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a district shall attend at least one training session from an independent source approved by the board or a designated investment committee advising the investment officer. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. *Gov't Code 2256.008(a)*

Ongoing The treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a district shall attend an investment training session not less than once in a two-year period that begins on the first day of the district's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the board or by a designated investment committee advising the investment officer. *Gov't Code 2256.008(a-1)*

Exception The ongoing training requirement does not apply to the treasurer, chief financial officer, or investment officer of a district if:

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1. The district does not invest district funds or only deposits those funds in interest-bearing deposit accounts or certificates of deposit as authorized by Government Code 2256.010; and
2. The treasurer, chief financial officer, or investment officer annually submits to the agency a sworn affidavit identifying the applicable criteria under item 1 that apply to the district.

Gov't Code 2256.008(g)

Standard of Care

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following objectives, in order of priority:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

1. The investment of all funds, or funds under the district's control, over which the officer had responsibility rather than the prudence of a single investment; and
2. Whether the investment decision was consistent with the district's written investment policy.

Gov't Code 2256.006

Personal Interest

A district investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the district shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573 (nepotism prohibition), to an individual seeking to sell an investment to the investment officer's district shall file a statement disclosing that relationship. A required statement must be filed with the board and with the Texas Ethics Commission. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

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1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
3. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

Gov't Code 2256.005(i)

Quarterly Reports

Not less than quarterly, the investment officer shall prepare and submit to the board a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. This report shall be presented not less than quarterly to the board and the superintendent within a reasonable time after the end of the period. The report must:

1. Describe in detail the investment position of the district on the date of the report;
2. Be prepared jointly and signed by all district investment officers;
3. Contain a summary statement of each pooled fund group that states the:
 - a. Beginning market value for the reporting period;
 - b. Ending market value for the period; and
 - c. Fully accrued interest for the reporting period;
4. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
5. State the maturity date of each separately invested asset that has a maturity date;
6. State the account or fund or pooled group fund in the district for which each individual investment was acquired; and
7. State the compliance of the investment portfolio of the district as it relates to the investment strategy expressed in the district's investment policy and relevant provisions of the Public Funds Investment Act.

If a district invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the board by that auditor.

Gov't Code 2256.023

Selection of Broker

The board or the designated investment committee shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with a district.

Gov't Code 2256.025

Bond Proceeds

The investment officer of a district may invest bond proceeds or pledged revenue only to the extent permitted by the Public Funds Investment Act, in accordance with:

1. Statutory provisions governing the debt issuance or the agreement, as applicable; and
2. The district's investment policy regarding the debt issuance or the agreement, as applicable.

Gov't Code 2256.0208(b)

Authorized Investments

A board may purchase, sell, and invest its funds and funds under its control in investments described below, in compliance with its adopted investment policies and according to the standard of care set out in this policy. *Gov't Code 2256.003(a)*

In the exercise of these powers, the board may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under this authority may not be for a term longer than two years. A renewal or extension of the contract must be made by the board by order, ordinance, or resolution. *Gov't Code 2256.003(b)*

The board may specify in its investment policy that any authorized investment is not suitable. *Gov't Code 2256.005(j)*

Obligations of
Governmental
Entities

The following are authorized investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;

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2. Direct obligations of this state or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state, the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Bonds issued, assumed, or guaranteed by the state of Israel;
7. Interest-bearing banking deposits that are guaranteed or insured by the FDIC or its successor, or the National Credit Union Share Insurance Fund or its successor; and
8. Interest-bearing banking deposits other than those described at item 7 above if:
 - a. The funds are invested through a broker with a main office or a branch office in this state that the district selects from a list the board or designated investment committee of the district adopts as required at Selection of Broker above or a depository institution with a main office or a branch office in this state and that the district selects;
 - b. The broker or depository institution selected as described above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the district's account;
 - c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
 - d. The district appoints as the district's custodian of the banking deposits issued for the district's account the de-

pository institution selected as described above, an entity described by Government Code 2257.041(d) (custodian with which to deposit securities), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating under Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).

Gov't Code 2256.009(a)

*Unauthorized
Obligations*

The following investments are not authorized:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years; and
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Gov't Code 2256.009(b)

Certificates of
Deposit and Share
Certificates

A certificate of deposit or share certificate is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in Texas and is:

1. Guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor;
2. Secured by obligations described at Obligations of Governmental Entities, above, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities described at Unauthorized Obligations, above; or
3. Secured in accordance with Government Code Chapter 2257 (Public Funds Collateral Act) or in any other manner and amount provided by law for the deposits of the district.

Gov't Code 2256.010(a)

In addition to the authority to invest funds in certificates of deposit under the previous section, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment:

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1. The funds are invested by the district through a broker that has its main office or a branch office in this state and is selected from a list adopted by the district as required at Selection of Broker, above or a depository institution that has its main office or a branch office in this state and that is selected by the district;
2. The broker or depository institution selected by the district arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the district;
3. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
4. The district appoints the depository institution selected by the district, an entity described by Government Code 2257.041(d) (custodian with which to deposit securities), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the district with respect to the certificates of deposit issued for the account of the district.

Gov't Code 2256.010(b)

The district's investment policies may provide that bids for certificates of deposit be solicited orally, in writing, electronically, or in any combination of those methods. *Gov't Code 2256.005(c)*

Repurchase
Agreements

A fully collateralized repurchase agreement is an authorized investment if it:

1. Has a defined termination date;
2. Is secured by a combination of cash and obligations described by Government Code 2256.009(a)(1) (obligations of governmental entities) or 2256.013 (commercial paper) or if applicable, 2256.0204 (corporate bonds);
3. Requires the securities being purchased by the district or cash held by the district to be pledged to the district, held in the district's name, and deposited at the time the investment is made with the district or a third party selected and approved by the district; and
4. Is placed through a primary government securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by a district under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Government Code 1371.059(c) (validity and incontestability of obligations for certain public improvements) applies to the execution of a repurchase agreement by a district.

Gov't Code 2256.011

Securities Lending
Program

A securities lending program is an authorized investment if:

1. The value of securities loaned is not less than 100 percent collateralized, including accrued income;
2. A loan allows for termination at any time;
3. A loan is secured by:
 - a. Pledged securities described at Obligations of Governmental Entities, above;
 - b. Pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state, and continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
 - c. Cash invested in accordance with Government Code 2256.009 (obligations of governmental entities), 2256.013 (commercial paper), 2256.014 (mutual funds), or 2256.016 (investment pools);
4. The terms of a loan require that the securities being held as collateral be pledged to the district, held in the district's name, and deposited at the time the investment is made with the district or with a third party selected by or approved by the district; and
5. A loan is placed through a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003, or a financial institution doing business in this state.

An agreement to lend securities under a securities lending program must have a term of one year or less.

Gov't Code 2256.0115

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Banker's
Acceptances

A banker's acceptance is an authorized investment if it:

1. Has a stated maturity of 270 days or fewer from the date of issuance;
2. Will be, in accordance with its terms, liquidated in full at maturity;
3. Is eligible for collateral for borrowing from a Federal Reserve Bank; and
4. Is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least on nationally recognized credit rating agency.

Gov't Code 2256.012

Commercial Paper

Commercial paper is an authorized investment if it has a stated maturity of 365 days or fewer from the date of issuance; and is rated not less than A-1 or P-1 or an equivalent rating by at least:

1. Two nationally recognized credit rating agencies; or
2. One nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States law or any state.

Gov't Code 2256.013

Mutual Funds

A no-load money market mutual fund is an authorized investment if the mutual fund:

1. Is registered with and regulated by the Securities and Exchange Commission;
2. Provides the district with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and
3. Complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.).

Gov't Code 2256.014(a)

In addition to the no-load money market mutual fund authorized above, a no-load mutual fund is an authorized investment if it:

1. Is registered with the Securities and Exchange Commission;
2. Has an average weighted maturity of less than two years; and
3. Either has a duration of:
 - a. One year or more and is invested exclusively in obligations approved by the Public Funds Investment Act, or
 - b. Less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

Gov't Code 2256.014(b)

Limitations

A district is not authorized to:

1. Invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Government Code 2256.014(b);
2. Invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Government Code 2256.014(b); or
3. Invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in Government Code 2256.014(a) or (b) in an amount that exceeds ten percent of the total assets of the mutual fund.

Gov't Code 2256.014(c)

Guaranteed
Investment
Contracts

A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

1. Has a defined termination date;
2. Is secured by obligations described at Obligations of Governmental Entities, above, excluding those obligations described at Unauthorized Obligations, in an amount at least equal to the amount of bond proceeds invested under the contract; and
3. Is pledged to the district and deposited with the district or with a third party selected and approved by the district.

Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.

To be eligible as an authorized investment:

1. The board must specifically authorize guaranteed investment contracts as eligible investments in the order, ordinance, or resolution authorizing the issuance of bonds;
2. The district must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;
3. The district must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;
4. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and
5. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Government Code 1371.059(c) (validity and incontestability of obligations for certain public improvements) applies to the execution of a guaranteed investment contract by a district.

Gov't Code 2256.015

Investment Pools

A district may invest its funds or funds under its control through an eligible investment pool if the board by rule, order, ordinance, or resolution, as appropriate, authorizes the investment in the particular pool. *Gov't Code 2256.016, .019*

To be eligible to receive funds from and invest funds on behalf of a district, an investment pool must furnish to the investment officer or other authorized representative of the district an offering circular or other similar disclosure instrument that contains the information specified in Government Code 2256.016(b). To maintain eligibility, an investment pool must furnish to the investment officer or other authorized representative investment transaction confirmations and a monthly report that contains the information specified in Government Code 2256.016(c). A district by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds. *Gov't Code 2256.016(b)-(d)*

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Corporate Bonds

A district that qualifies as an issuer as defined by Government Code 1371.001 [see CCF], may purchase, sell, and invest its funds and funds under its control in corporate bonds (as defined above) that, at the time of purchase, are rated by a nationally recognized investment rating firm "AA-" or the equivalent and have a stated final maturity that is not later than the third anniversary of the date the corporate bonds were purchased.

A district is not authorized to:

1. Invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for the payment of debt service, in corporate bonds; or
2. Invest more than 25 percent of the funds invested in corporate bonds in any one domestic business entity, including subsidiaries and affiliates of the entity.

A district subject to these provisions may purchase, sell, and invest its funds and funds under its control in corporate bonds if the board:

1. Amends its investment policy to authorize corporate bonds as an eligible investment;
2. Adopts procedures to provide for monitoring rating changes in corporate bonds acquired with public funds and liquidating the investment in corporate bonds; and
3. Identifies the funds eligible to be invested in corporate bonds.

The district investment officer, acting on behalf of the district, shall sell corporate bonds in which the district has invested its funds not later than the seventh day after the date a nationally recognized investment rating firm:

1. Issues a release that places the corporate bonds or the domestic business entity that issued the corporate bonds on negative credit watch or the equivalent, if the corporate bonds are rated "AA-" or the equivalent at the time the release is issued; or
2. Changes the rating on the corporate bonds to a rating lower than "AA-" or the equivalent.

Gov't Code 2256.0204

Hedging
Transactions

The board of an eligible entity (as defined above) shall establish the entity's policy regarding hedging transactions. An eligible entity may enter into hedging transactions, including hedging contracts,

and related security, credit, and insurance agreements in connection with commodities used by an eligible entity in the entity's general operations, with the acquisition or construction of a capital project, or with an eligible project. A hedging transaction must comply with the regulations of the federal Commodity Futures Trading Commission and the federal Securities and Exchange Commission.

Government Code 1371.059(c) (validity and incontestability of obligations for certain public improvements) applies to the execution by an eligible entity of a hedging contract and any related security, credit, or insurance agreement.

An eligible entity may:

1. Pledge as security for and to the payment of a hedging contract or a security, credit, or insurance agreement any general or special revenues or funds the entity is authorized by law to pledge to the payment of any other obligation.
2. Credit any amount the entity receives under a hedging contract against expenses associated with a commodity purchase.

An eligible entity's cost of or payment under a hedging contract or agreement may be considered an operation and maintenance expense, an acquisition expense, or construction expense of the eligible entity; or a project cost of an eligible project.

Gov't Code 2256.0206

Prohibited
Investments

Except as provided by Government Code 2270 (prohibited investments), a district is not required to liquidate investments that were authorized investments at the time of purchase. *Gov't Code 2256.017*

Note: As an "investing entity" under Government Code 2270.0001(7)(A), a district must comply with Chapter 2270, including reporting requirements, regarding prohibited investments in scrutinized companies listed by the comptroller in accordance with Government Code 2270.0201.

Loss of Required
Rating

An investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. A district shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating. *Gov't Code 2256.021*

**Sellers of
Investments**

A written copy of the investment policy shall be presented to any business organization (as defined below) offering to engage in an investment transaction with a district. The qualified representative of the business organization offering to engage in an investment transaction with a district shall execute a written instrument in a form acceptable to the district and the business organization substantially to the effect that the business organization has:

1. Received and reviewed the district investment policy; and
2. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the district and the organization that are not authorized by the district's investment policy, except to the extent that this authorization:
 - a. Is dependent on an analysis of the makeup of the district's entire portfolio;
 - b. Requires an interpretation of subjective investment standards; or
 - c. Relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The investment officer of a district may not acquire or otherwise obtain any authorized investment described in the district's investment policy from a business organization that has not delivered to the district the instrument required above.

Gov't Code 2256.005(k)-(l)

Nothing in this section relieves the district of the responsibility for monitoring investments made by the district to determine that they are in compliance with the investment policy.

Business
Organization

For purposes of the provisions at Sellers of Investments above, "business organization" means an investment pool or investment management firm under contract with a district to invest or manage the district's investment portfolio that has accepted authority granted by the district under the contract to exercise investment discretion in regard to the district's funds.

Gov't Code 2256.005(k)

Donations

A gift, devise, or bequest made to a district to provide college scholarships for district graduates may be invested by the board as provided in Property Code 117.004 (Uniform Prudent Investor Act),

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unless otherwise specifically provided by the terms of the gift, devise, or bequest. *Education Code 45.107*

Investments donated to a district for a particular purpose or under terms of use specified by the donor are not subject to the requirements of the Public Funds Investment Act. *Gov't Code 2256.004(b)*

**Electronic Funds
Transfer**

A district may use electronic means to transfer or invest all funds collected or controlled by the district. *Gov't Code 2256.051*

Communication
June 15, 2020

To: Board of Trustees
From: Mark J. Foust, Ed.D.
Re: Upcoming Events Report

The next three months of upcoming events for the Kerrville ISD Board of Trustees are:

- June 24-26 Virtual
Summer Leadership Institute
- July 27, 2020 6:00 p.m.
KISD Board of Trustees meeting
- July 28, 2020 6:00 p.m. -9:00 p.m.
TBD Team of Eight Training
- August 17, 2020 6:00 p.m.
KISD Board of Trustees meeting

Information

Contact Person(s)
Mark J. Foust, Ed.D.

INFORMATION ITEMS

Communication
June 15, 2020

To: Board of Trustees
From: Mark J. Foust, Ed.D.
Re: Kerrville Public School Foundation Report

The mission of the Kerrville Public School Foundation is to serve as a catalyst for involving the community in the enhancement and achievement of academic excellence for the children of Kerrville ISD by providing financial assistance not available through state or local funding.

In the by-laws for the Kerrville Public School Foundation it states that a report will be presented to the Board of Trustees once a year. Evelyn Nelson, Executive Director for the Kerrville Public School Foundation, will present the report.

Information

Contact Person(s)
Mark J. Foust, Ed.D.

Communication
June 18, 2020

To: Board of Trustees

From: Mark J. Foust, Ed.D. and Heather Engstrom

Re: Academic Excellence Committees Summary

Heather Engstrom will provide an overview of the work of the 2019-2020 Academic Excellence Committees and present a preview of the 2020-2021 focus.

Committee	Chair	Outcomes
#LitGrit Literacy Plan	Andrea Dickson Lesle Stevens Jenna Wentrcek Julie Johnson	The #KISDLitGrit AEC's primary goal was to create balanced literacy frameworks for grades K-12. The AEC committee successfully created a balanced literacy framework for each grade-span. As we move into school year 2020-2021, the frameworks need to be introduced to campus staff and integrated in a strategic manner due to the ending events of 2019-2020. The committee also brainstormed various ideas for helping the #LitGrit initiative forge community connections in literacy. Some of these ideas could possibly be implemented in the 2020-2021 school year.
ELA/R Textbook Adoption	Heather Engstrom Jimmy Grmela & Amy Ahrens	Committee reviewed, presented, surveyed, and adopted instructional materials.
Career and Technology Education Future Ready Graduates	Sylvia Flannery Steve Schwarz Jack Irvin	The committee updated the Pathway for Every Student document. The committee was divided into elementary and secondary groups, and each group explored the CCMR initiatives available at each level. We were in the process of developing one-page flyers to provide a visual snapshot of some of the activities aligned to CCMR at each level. ECC-5 (Career Awareness) / Grades 6-8 (Career Exploration) / THS (Career Experience)

Pre-AP Focus Skills	Tamela Crawford Sarah Kraatz	Committee created training for all Horizons teachers and discussed ways to embed academic conversations and writing critically into daily lessons. Pre-AP Focus Skills & Advanced Academics Committee Researched College Board’s Shared Principles and identified instructional practices that can be implemented seamlessly in all content areas of our Horizons classes.
Algebraic Thinking Skills	Tana Althaus, Nancy Gawryszewski, Gena Robertson, Stephen Schwarz, & Amy Ahrens	Committee developed math “problem-solving” models to align problem solving steps and vocabulary (K-12). CASE is the plan created for grades K-5 and AUSR for grades 6-12. The committee discussed district-wide implementation of CASE and AUSR.
Elementary Science: Inquiry and STEM	Peggy Thompson Jason Gilbreath	AEC Elementary Science Committee reviewed the collection of KISD teacher created science lessons addressing the hardest to teach science TEKS. This year, the committee tweaked those files and created a OneNote binder to make those lessons easily accessible to all teachers. We also added tabs for essential information and links. There is a tab for grade levels K-5 and each includes the following: <ul style="list-style-type: none"> • Year at a Glance • TEKS • Vocabulary • Lessons (those mentioned above) • Lead4ward • STEMscopes (log-in) It is a work in progress...a living resource! It can be edited as needed.
Science Grades 6-11; Aligning Inquiry Process	Chris Cook	The Secondary Science AEC goal is to improve science process skills through hands-on inquiry-based science experiences. Teachers discussed strategies to increase levels of inquiry

		<p>from structured, teacher-controlled formats to higher levels including open-ended explorations initiated by students.</p> <p>“Brain-Powered Science” <i>Teaching and Learning with Discrepant Events</i> was provided to members as samples of engaging activities that require science process skills and content knowledge to explain results.</p>
Social Studies Thinking Skills Grades 5-12	Shelby Balser Rick Sralla	<p>Committee discussed ways to provide students with engaging, rigorous and personalized academic experiences in the Social Studies class grades 4-12. Social Studies commonalities analyzed and members participated in Social Studies vertical alignment. Committee investigated strategies to integrate small group instruction as a normal practice in social studies at all grade levels 4-12.</p>
Instructional Technology	Andrea Dickson Amy Billeiter Cody Caddell	<p>The Technology AEC had the primary goal of creating a digital skills assessment for staff (to be administered at the end of the 2019-2020 school year as part of the end-of-year checkout process). Due to COVID-19 and the school closure, the committee was unable to administer the assessment. Several of the Technology AEC members were able to attend the annual TCEA Conference in February and presented/shared their favorite session to the committee during our March meeting (prior to spring break).</p>
Character & Kindness	Micah Wrase	<p>Members empowered students to carry out the mission of service and kindness to others across KISD. Service projects included activities that impacted the campuses and the community.</p>

Enclosures: Academic Excellence Committee PowerPoint

Information

Contact Person(s)

Mark J. Foust, Ed.D.
Heather Engstrom



District Goal 1: *“Provide Students with Engaging, Rigorous, and Personalized Academic Experiences...”*

2019-2020 DISTRICT-WIDE PLANNING
ACADEMIC EXCELLENCE COMMITTEE

KISD District Goals:

Goal 1:

Provide students with rigorous and personalized learning experiences... and develop 21st century skills for lifelong learning.

- ✓ **Elementary Science: Inquiry and STEM** (*Vertical Alignment*)
- ✓ **Science Grades 6-11; Aligning Inquiry Process** (*Professional Learning*)
- ✓ **Social Studies Thinking Skills Grades 5-12** (*Professional Learning*)
- ✓ **Instructional Technology** (*Assessment*)
- ✓ **Character & Kindness** (*Newsletters*)

Goal 2:

Develop future-ready students... by ensuring all students are reading on grade and successfully complete algebra coursework.

- ✓ **#LitGrit Literacy Plan** (*Professional Learning*)
- ✓ **ELA/R Textbook Adoption** (*Professional Learning*)
- ✓ **Algebraic Thinking Skills** (*Professional Learning*)

Goal 3:

Empower all students to identify post-secondary pathways through ...(STEAM), Career and Technology Education (CTE), and college credit, opportunities.

- ✓ **CTE Future Ready Graduates** (*Vertical Alignment*)
- ✓ **Pre-AP Focus Skills** (*Vertical Alignment*)



2019-2020 Committee Goals

#LitGrit Literacy Plan, Small Group Instruction

- Develop the framework for KISD Literacy Plan. [#LitGrit](#)

Career and Technology Education Future Ready Graduates

- Define programs to create an interactive website to showcase KISD CTE department.
- [2020 AEC Documents](#)

Algebraic Thinking Skills

- Create Problem Solving Model to align expectations ECC-Grade 11
- [2020 AEC Documents](#)



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Questions?

Communication
June 15, 2020

To: Board of Trustees
From: Mark J. Foust, Ed.D.
Re: Coronavirus Update

Dr. Foust will give the Board of Trustees an update of the communication and activities related to the district's response to Covid-19.

Enclosure: Covid- 19 PowerPoint

Information

Contact Person(s)
Mark J. Foust, Ed.D.



KERRVILLE ISD

VISION 2021

An educational leader in the heart of the Hill Country, inspiring all students to become lifelong learners and productive citizens.

COVID-19 UPDATE

Reopening School August 2020

- Governor's Orders
- CDC Guidelines & TEA Guidelines
- Staff Input / Feedback
- Parent Input /Feedback

KISD Safety Mitigations for Reopening Schools

- Daily Screening of all staff
- Daily Screening of all students before entering schools
- Procedures for screened student/staff with Covid-19 symptoms
- Masks for staff and students 1st-12th when not able to social distance or when moving in buildings
- Increased hygiene – frequent handwashing / hand sanitizing
- Hand sanitizer stations at entrances and high traffic locations
- Changes to drop off and pick up routines
- Changes to lunch procedures
- Limit sharing
- Frequent disinfecting of classrooms, restrooms and common spaces

51

Parent Survey - School Reopening Input August 2020

The Kerrville ISD administration wants parents to weigh in on reopening plans for August 2020. It's important for the voices of parents and guardians to be heard and their concerns addressed as the school district considers possible options for what school might look like beginning August 17th, 2020.

The school district realizes that the best way to meet student needs is through the traditional face-to-face model at the beginning of the fall semester and wants to know parent's opinions about the effectiveness of cleaning procedures at schools to keep kids safe and healthy. KISD also wants to know how parents feel about children having their temperatures taken at school, wearing face coverings, and participating in regular hand-sanitation.

Despite the uncertainty of COVID-19 and how the situation might evolve over the summer, KISD will use guidelines from the CDC, from parents, and from staff to create an agile and responsive reopening plan with contingencies developed and ready to share with the community and staff by July 10th.

Please take a moment to help the school district gather data to make informed, student-centered decisions.

Hi Mark, when you submit this form, the owner will be able to see your name and email address.

* Required

1. KISD Schools are looking at making modifications for in-person instruction that is based on guidance from health officials. Please check the following modifications that would help you feel that your child's health and safety needs are being met. *

- Physical distancing
- Temperature screenings for students and staff
- Masks for staff and students in 1st grade and older when travelling through the building
- Frequent disinfecting of classrooms, library, restrooms, office, and cafeteria
- Changes to drop-off and pick-up procedures
- Fewer students in a classroom
- Restrictions to the number of students eating in the cafeteria
- Other

Reopening School August 2020 Contingencies

Shifting to Blended Models / Virtual KISD

- One student confirmed with Covid-19 in a classroom
- More than one student confirmed case in a classroom
- Multiple students on a grade level
- Multiple students on various grade levels
- Staff confirmed with Covid-19 in a classroom – notification and contact tracing
- Consider Virtual KISD options for medically fragile students





***“We believe... The Best is Yet to Be for
KISD”***

Communication
June 15, 2020

To: Board of Trustees
From: Mark J. Foust, Ed.D.
Re: Bond 2018 Program Update

Dr. Foust will present the Bond 2018 Program Update. This item will give the Board of Trustees an update of the communication and activities.

Enclosure: Bond 2018 Program Update PowerPoint

Information

Contact Person(s)
Mark J. Foust, Ed.D.



Kerrville

Independent School District

Bond 2018

2018 Bond Program Update

6.15.2020



Package 2 Renovations

Our Goal: All projects completed on time, under budget, with highest quality

Roofs, HVAC, MEP – HVAC Demo began early.

PBK and Satterfield and Pontikas CM&R

21st Century Flex Spaces, Tally Entry/Gym Flooring, ECC Decking Renovations

Central Office Windows, condensate lines, roof repairs



Package 2 Current Progress

Tivy Education Center:

Roofing

Staff Development Center is substantially complete. ECC Cafeteria, Special Ed. building, Alamo Annex, Gwing, and technology center will be substantially complete in the next two weeks.

Central Office roof repairs will begin in July

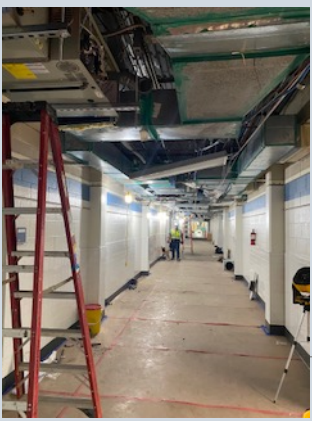
Canopy between TCDC buildings started this week with demo of old deck to allow access for support posts to be set. ECC bus pick up area canopy to begin at the end of June

Windows

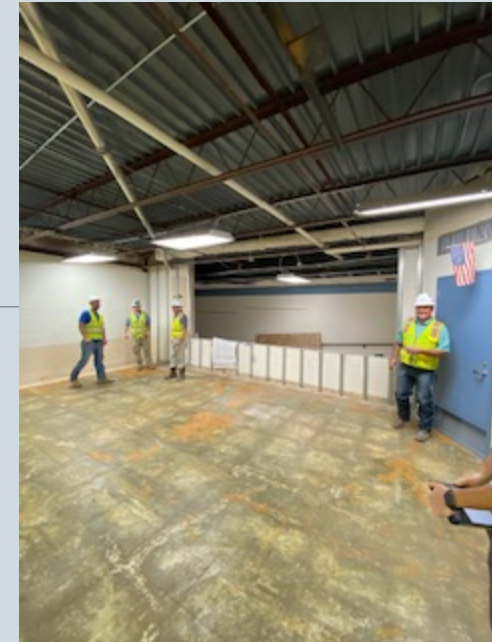
ECC cafeteria- windows are currently being fabricated

CO windows - currently taking field measurements so the order can be placed.

ECC decking replacement – submittals being approved and work will begin before the end of June



Package 2 Current Progress



Daniels:

Roof – 50% complete on main building – annex reroof will begin first of July

HVAC – All demo is complete, cleaning ducts now, all mechanical equipment is on site and will start installation next week

Flex Learning space – demolition is completed, sheetrock and electrical rough in has begun

Starkey:

Roof – 85% complete, will be substantially complete by end of June.

HVAC – All demo complete, duct cleaning done, and ducts are being reinstalled. Most HVAC equipment is on site, and installation will begin next week

Bathroom ADA renovations – Will start demolition next week

Flex Learning- demolition is completed

Fire alarm – 10% complete

Nimitz:

Roof – Completed

HVAC – 2nd floor chill water pipe replacement complete next week. Duct cleaning next week. Fan coil units will be here by June 19 and install will start late June.

Flex learning- demolition near complete

Fire alarm – 50% complete

Package 2 Current Progress

BTW:

HVAC – all demo is complete. Duct installation 60% complete. Chill water pipe is laid out and ready for install once Nimitz is finished. Mechanical equipment arriving on July 3, and installation will begin immediately

Covered walkway repairs– will begin before the end of June

Tally:

Canopy new student drop off – submittals being approved and will begin in the next 15 days

Flooring – will begin before the end of June

Flex Learning – Electrical demo has begun

Tivy:

Roof - repair is complete, found another area that needs repair which will be addressed

HVAC – Roof tops air handlers will ship at end of September, installation will take place in October

Flex learning - Electrical demo has begun

HPMS Project Update

HPMS

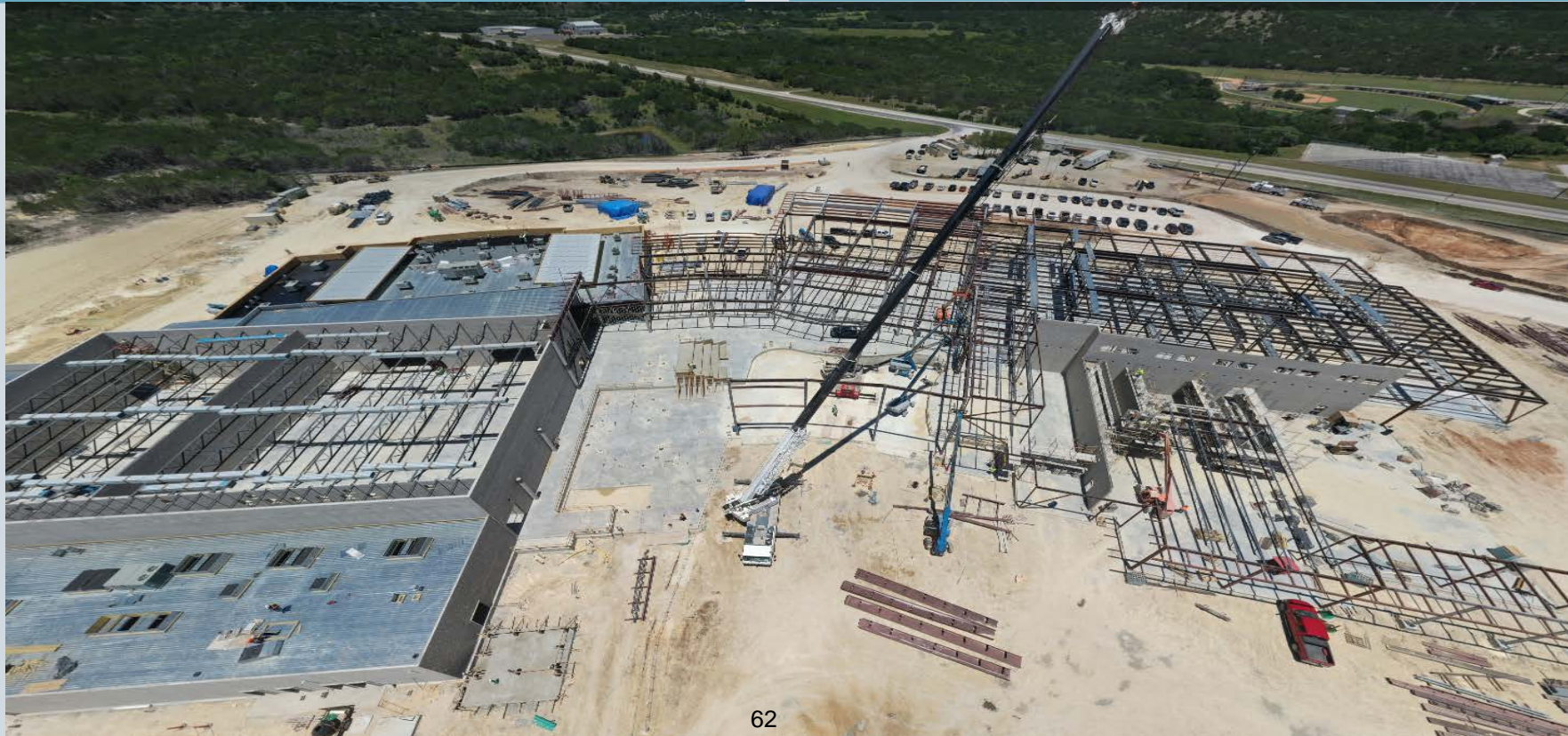
Huckabee, Inc. Architects

- Pouring the Foundation – 3 Pours for 2nd floor remaining)
- Steel Erection and Fine Arts walls Complete by
- Roof Deck installation has begun
- Electives wing roof deck installed MEP installation underway
- Windows install begins this week in electives wing



Hal Peterson MS Drone Footage

HPMS Drone May 16, 2020 HPMS DRONE JUNE 13, 2020





FUTURE HOME OF THE NEW HAL PETERSON MIDDLE SCHOOL

Scheduled to Open August 2021



Thank You Kerrville For Supporting Our Students!

Huckabee

Communication
June 15, 2020

To: Board of Trustees
From: Mark Foust, Ed.D. and Jarrett Jachade
Re: 2020-2021 Budget Draft No. 4 Report

The Preliminary Budget Draft No. 4 for the 2020-2021 school year will be presented at the board meeting.

Enclosure: Preliminary 2020-2021 Budget Draft No. 4

Information

Contact Person(s)
Mark Foust, Ed.D.
Jarrett Jachade

KERRVILLE ISD

BUDGET UPDATE #4

JUNE 15, 2020

Property Funding Lag

TEA's Response

School FIRST Template for rating year 2020-2021

15	Did the district submit pupil projections to the TEA through the TEASE FSP system? (enter Yes or No)	Yes
	What was actual total ADA for 2020?	1500
	What was projected ADA for 2020	1478
	Ratio of actual to projected ADA	0.0149
	Maximum allowed variance	0.2
	Total Points	5
16	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (Enter Yes or No)	Yes
17	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, federal fund? (The AICPA defines material weakness (Enter Yes or No)	Yes
18	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	Yes
	Total Points	10
19	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules? (Enter Yes or No)	Yes
	Total Points	5
20	Did the school board members discuss the district's property values and the funding lag at a board meeting within 120 days of the district adopting its budget? (Enter Yes or No)	Yes
	Total Points	
	Total Points	100

FIRST Requirement

Funding Lag

Under prior law, there used to be something called funding lag.

As long as property values continued to rise year after year, many districts were able to spend those additional funds that were considered “outside the funding formula”.

Current law – there is no more funding lag

New Words

CARES Act

- Coronavirus Aid, Relief and Economic Security (CARES) Act

ESSER

- Elementary and Secondary School Emergency Relief Fund
 - Section 18003 of CARES Act is ESSER

CRF

- Coronavirus Relief Fund

CURRENT YEAR FUNDING (2019-20)

KISD will receive their full Foundation School Program entitlement as earned through the first 2/3 of the school year before school closures

In addition, districts will receive FSP hold harmless funding delivered via ADA/minutes adjustments to mitigate the financial impact of school closure

There will be no hold harmless/adjustment for the transportation allotment

CURRENT YEAR FUNDING (2019-20)

This hold harmless will be offset by the ESSER formula funding as further described below

TEA will use the ESSER funds we receive as a method of finance for the cost of the foundation school program for the 2019-20 school year

We will see a reduction in state aid that will roughly offset the dollars we receive through ESSER

We will need to apply for ESSER funds like other grants

Corona Relief Funds (CRF)

$\$250 \times 2600$ (Number of SCE Students) = \$650,000

$\$650,000 \times .75 = \$487,500$

CRF = \$487,500

Reimbursement for Expenditures from March to May 20th

HB 3 Budget Review

Rollback Rate is now Voter Approved Tax Rate (VATR)

Tax Rate Compression will continue

TEA will calculate each district's property value growth and Tier 1 tax rate also referred to as the Maximum Compressed Rate (MCR)

For 2019-20 MCR was 93 cents

HB 3 Budget Review

For 2019-20 the Tier 1/MCR is \$0.93

For 2020-21 the Tier 1/MCR will be \$0.9164

If KISDs property value growth rate is higher than 4.01% we will have additional compression

TEA has until August 5th to calculate and provide MCR

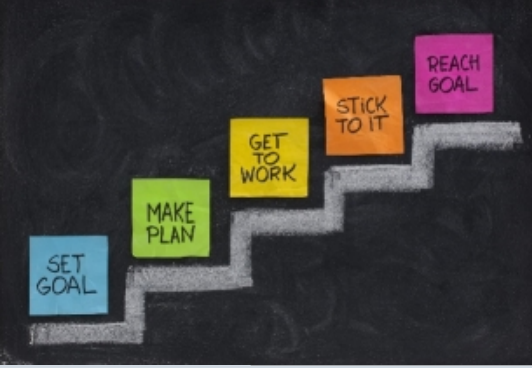
Factors Influencing Budget Process

Instructional/Student Needs

House Bill 3 – 2.5% Cap on property taxes

Student Enrollment Growth Rate – 120 Students Less





Budget Goals

- Balanced Budget
- Address increasing needs in Special Education
- Compensation Plan to Retain and Recruit Quality Staff
- Address campus technology needs and instructional delivery
- COVID-19

2020-21 PRELIMINARY PROPOSED BUDGET #4

June 15, 2020

	2019-20 ORIGINAL BUDGET	PROPOSED CHANGES	2020-21 PROPOSED BUDGET
REVENUES			
Local	27,448,000	603,000	28,051,000
		Increase in prop. values	833,000
		Athletics, Interest, Tuit.	(230,000)
State	11,638,000	(738,000)	10,900,000
		ADA (-120 students)	(738,000)
Federal	550,000	0	550,000
Total Revenue	<u>39,636,000</u>	<u>(135,000)</u>	<u>39,501,000</u>
EXPENDITURES			
Payroll	30,627,072	745,000	31,372,072
		Personnel	745,000
Contracted Services	3,916,482	103,000	4,019,482
		SRO's	7,000
		TASB Insurance	30,000
		UIL Referees	17,000
		COVID-19	49,000
Supplies	1,822,871	30,000	1,852,871
		Various things	30,000
Other Operating	2,768,825	0	2,768,825
Capital Outlay	500,750	(100,000)	400,750
		Buses	(100,000)
	<u>39,636,000</u>	<u>778,000</u>	<u>40,414,000</u>
Surplus/(Deficit)	<u>0</u>	<u>77</u>	<u>(913,000)</u>



Communication
June 15, 2020

To: Board of Trustees
From: Mark Foust, Ed.D. and Jarrett Jachade
Re: Financial Reports

The following monthly financial reports are included in this month's agenda:

1. General Operating Expenditure Report
2. Investment Report
3. Property Tax Collection Report
4. Food Service Report
5. Head Start Report
6. Purchases over \$10,000

Information

Contact Person(s)
Mark Foust, Ed.D.
Jarrett Jachade

**Kerrville ISD
General Operating Budget by Department
May 31, 2020**

	Budget	Actual	Balance	%
Revenues				
Current Year Property Taxes	26,000,000	26,015,783	(15,783)	100.06%
Other Local Revenues	1,448,000	828,514	619,486	57.22%
State Revenues	11,638,000	9,977,209	1,660,791	85.73%
Federal Revenues/Other Resources	550,000	350,770	199,230	63.78%
Total Revenue	39,636,000	37,172,275	2,463,725	93.78%
Total Payroll (Page 1)	30,585,461	22,027,632	8,557,829	72.02%
Total Supply Expenditures (Page2)	10,995,160	6,715,657	4,279,502	61.08%
Total General Operating Budget	41,580,621	28,743,290	12,837,331	69.13%
Surplus/Deficit	(1,944,621)			
Audited Fund Balance 8-31-19	11,458,259			
Committed Funds				
Future Turf Replacement	(440,000)			
Future Track Resurfacing	(120,000)			
Future Band Uniforms	(37,250)			
Future E-Rate Match	(39,000)			
Instructional Technology	(25,200)			
Technology Replacement	(50,000)			
STEM/FFE/C&I	(5,000)			
Vehicle Replacement	(40,000)			
Instruments	(20,000)			
Capital Projects	(89,530)			
IDEA-B Special Education Set Aside	(215,000)			
IMA-Future Use	(197,818)			
Total Committed Funds	(1,278,798)			
Uncommitted Fund Balance	10,179,461			
Current Surplus / (Deficit)	(1,944,621)			
Projected Uncommitted				
Fund Balance as of 8-31-19	8,234,840			

Kerrville ISD
General Operating Budget by Department
May 31, 2020

Payroll Budgets By Department	Budget	Actual	Balance	%	Projected
Tivy High School	8,100,608	5,765,680	2,334,928	71.18%	0.00%
Hill Country High School	501,146	374,114	127,032	74.65%	0.00%
Discipline Alternative School	398,024	251,552	146,472	63.20%	0.00%
Hal Peterson Middle School	3,535,684	2,638,852	896,832	74.63%	0.00%
B T Wilson Elementary	1,799,883	1,331,781	468,102	73.99%	0.00%
Daniels Elementary School	2,673,596	1,952,084	721,512	73.01%	0.00%
Starkey Elementary School	2,665,262	1,950,634	714,628	73.19%	0.00%
Nimitz Elementary School	2,797,260	2,044,961	752,299	73.11%	0.00%
Fred H Tally Elementary	2,671,363	1,952,362	719,001	73.08%	0.00%
Kerr Co Juvenile Detention Center	0	0	0	0.00%	0.00%
Early Childhood	675,836	527,400	148,436	78.04%	0.00%
Superintendent Office	286,219	218,252	67,967	76.25%	0.00%
Tax Office	108,323	60,219	48,104	55.59%	0.00%
Maintenance	2,357,688	1,570,710	786,978	66.62%	0.00%
Personnel	268,688	198,753	69,936	73.97%	0.00%
Business Office	404,313	301,212	103,101	74.50%	0.00%
Special Education	510,749	354,770	155,979	69.46%	0.00%
Technology	275,146	208,149	66,997	75.65%	0.00%
Staff Development	2,000	304	1,696	15.22%	0.00%
Curriculum & Instruction	553,673	325,844	227,829	58.85%	0.00%
Total Payroll Expenditures	30,585,461	22,027,632	8,557,829	72.02%	0.00%

Kerrville ISD
General Operating Budget by Department
May 31, 2020

Supply Budgets by Department		Budget	Actual	Balance	%
001	Tivy High School	1,339,436	806,401	533,035	60.20%
105	Hill Country High School	79,354	28,670	50,684	36.13%
003	Discipline Alternative School	26,000	5,956	20,044	22.91%
041	Hal Peterson Middle School	1,882,276	1,737,702	144,574	92.32%
104	B T Wilson Elementary	107,652	31,295	76,357	29.07%
101	Daniels Elementary School	110,714	57,475	53,239	51.91%
102	Starkey Elementary School	103,800	43,760	60,040	42.16%
103	Nimitz Elementary School	111,789	46,316	65,473	41.43%
109	Fred H Tally Elementary	105,127	46,478	58,649	44.21%
106	Kerr Co Juvenile Detention Center	0	0	0	0.00%
107	Early Childhood	42,339	11,571	30,768	27.33%
701	Superintendent Office	105,516	42,127	63,389	39.92%
702	School Board	74,800	22,006	52,794	29.42%
703	Tax Office	431,300	317,377	113,923	73.59%
709	Maintenance	2,802,580	1,526,979	1,275,601	54.48%
712	Transportation	1,800,700	832,965	967,736	46.26%
740	Personnel	101,250	70,655	30,595	69.78%
749	Business Office	362,860	168,525	194,335	46.44%
800	Special Education	142,127	82,344	59,783	57.94%
801	Technology	644,675	500,759	143,916	77.68%
803	Staff Development	104,274	48,679	55,595	46.68%
804	Curriculum & Instruction	506,191	282,528	223,663	55.81%
805	Health Services	10,400	5,089	5,311	48.94%
Total Supply Expenditures		10,995,160	6,715,657	4,279,502	61.08%

**Kerrville Independent School District
INVESTMENT REPORT
May 31, 2020**

Projected Cash Flow	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Local	909,000	1,408,000	1,516,000	10,626,000	13,464,000	41,298,000	393,000	276,000	357,000	204,000	283,000	224,000	70,958,000
State/Federal	5,100,000	4,153,000	82,000	456,000	21,000	0	137,000	111,000	129,000	221,000	132,000	1,646,000	12,188,000
Total Sources	6,009,000	5,561,000	1,598,000	11,082,000	13,485,000	41,298,000	530,000	387,000	486,000	425,000	415,000	1,870,000	83,146,000
Payroll	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,552,154	2,553,378	30,627,072
Other Operating	784,000	726,000	784,000	706,000	827,000	653,000	864,000	672,000	771,000	574,000	465,000	1,182,928	9,008,928
Debt Service	0	50,000	0	0	0	1,210,954	0	0	0	0	0	4,289,046	5,550,000
Capital Outlay	6,811	377,900	547,355	3,999,165	4,069,171	9,211,221	4,332,332	4,766,358	4,988,092	5,194,998	5,153,506	2,053,632	44,700,541
Total Uses	3,342,965	3,706,054	3,883,509	7,257,319	7,448,325	13,627,329	7,748,486	7,990,512	8,311,246	8,321,152	8,170,660	10,078,984	89,886,541
Net Sources/(Uses)	2,666,035	1,854,946	-2,285,509	3,824,681	6,036,675	27,670,671	-7,218,486	-7,603,512	-7,825,246	-7,896,152	-7,755,660	-8,208,984	-6,740,541

Projected M&O Balance	60,114,079	61,908,898	59,504,815	62,498,380	67,481,964	93,133,454	85,884,229	78,259,130	70,405,961	62,493,853	54,716,058	50,778,600
Projected I&S Balance	2,362,945	2,423,072	2,541,646	3,372,762	4,425,853	6,445,034	6,475,773	6,497,360	6,525,283	6,541,239	6,563,374	2,291,848
Total Projected Balance	62,477,024	64,331,970	62,046,461	65,871,142	71,907,817	99,578,488	92,360,002	84,756,490	76,931,244	69,035,092	61,279,432	53,070,448

Actual Cash Flow

Security Demand Accts	7,504,246	9,978,085	5,492,167	7,455,224	10,932,923	2,824,628	4,821,362	3,130,986	7,333,631
Lonestar Investment Pool	52,340,510	52,424,866	55,500,738	61,509,720	65,750,438	107,860,375	102,260,127	100,081,814	85,206,873
TexPool Participant Svcs	2,632,268	2,636,542	2,640,177	2,643,815	2,647,391	2,650,737	2,652,996	2,653,988	2,654,594
Total Investments	62,477,024	65,039,493	63,633,082	71,608,759	79,330,752	113,335,740	109,734,485	105,866,788	95,195,098

Interest Rates Earned

Security Demand Accts	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Lonestar Investment Pool	2.10%	1.90%	1.71%	1.62%	1.58%	1.57%	1.11%	0.56%	0.31%
TexPool Participant Svcs	2.16%	1.91%	1.68%	1.62%	1.59%	1.59%	1.00%	0.46%	0.27%

Weighted Average Maturity (Days)

Security Demand Accts	1	1	1	1	1	1	1	1	1
Lonestar Investment Pool	99	100	107	88	77	83	104	114	111
TexPool Participant Svcs	36	35	36	35	30	28	31	33	33
Weighted Average	84.57	82.18	94.91	76.99	64.96	79.67	97.71	108.63	100.35

**This investment portfolio
complies with the Kerrville
Independent School District's
investment strategy as expressed
in the district's investment policy.**

KERRVILLE ISD
Property Tax Collection Report

May 31, 2020

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total</u>
Original Levy	33,019,586	1,715,377	34,734,963
Adjustments	(81,342)	(132,669)	(214,011)
Adjusted Levy	<u>32,938,244</u>	<u>1,582,708</u>	<u>34,520,952</u>
Tax Collections	31,552,960	327,559	31,880,519
Refunds & Other Adjustments	(79,266)	(145,650)	(224,916)
Adjusted Tax Collections	<u>31,473,694</u>	<u>181,909</u>	<u>31,655,603</u>
Uncollected Levy	<u>1,464,550</u>	<u>1,400,799</u>	<u>2,865,349</u>
Collections as a Percent of Current Levy	95.55%		96.11%
Prior Year Comparative Percentage	97.03%		97.78%

**Comparison of Expenditures and Other Uses to Official Budget
Food Service
Kerrville Independent School District
As of May 31, 2020**

FUND 240 (NSLP)

		% of Budget		Adopted Budget
Revenue	\$ 1,481,865.02	53.31%	\$	2,779,788.00
Expenditures	\$ 1,544,402.08	55.56%	\$	2,779,788.00
	<u>\$ (62,537.06)</u>		<u>\$</u>	<u>-</u>

FUND 242 (SFSP)

	Actual
Revenue	\$ 33,386.64
Expenditures	\$ 216,003.87
	<u>\$ (182,617.23)</u>

Total	<u>\$ (245,154.29)</u>
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**Kerrville ISD
Head Start
Expenditure Report
May 31, 2020**

Revenue Received to Date	412,251.53
Accrued Revenue	101,873.25
Total Revenue	514,124.78

Expense Category	FEDERAL			LOCAL
	NOGA Budget	Actual 2019-2020	Balance Remaining	Actual 2019-2020
Personnel	480,266.00	354,852.59	125,413.41	78,487.40
Benefits	114,915.00	78,748.57	36,166.43	11,071.41
Travel	8,435.00	2,045.24	6,389.76	71,647.50
Supplies	57,789.00	23,070.66	34,718.34	731.05
Contractual	0.00	0.00	0.00	1,630.51
Equipment	0.00	0.00	0.00	
Other	74,042.00	55,407.72	18,634.28	0.00
Total	735,447.00	514,124.78	221,322.22	163,567.87
In-kind Time				0.00
In-kind Donations				0.00
TOTAL	735,447.00	514,124.78	221,322.22	163,567.87

RECAP

Federal	735,447.00	514,124.78	221,322.22
Local	183,862.00	163,567.87	20,294.13
TOTAL PROGRAM	919,309.00	677,692.65	241,616.35

KERRVILLE INDEPENDENT SCHOOL DISTRICT
Action and Information Items - Checks \$10,000 and Over
May 31, 2020

INFORMATION ITEMS:

Paid items \$10,000.00 to 49,999.00

Date	Vendor	Description	Department	Funding Source	Fund	Amount
05/06/20	UNIVERSITY OF TEXAS AT AUSTIN ONRAMPS	ONRAMPS ENROLLMENT FALL 2019 SPRING 2020	ADVANCED ACADEMICS	GENERAL OP/ AVTIVITY	199 & 461	\$ 41,303.00
05/13/20	BOSWORTH COMPANY	NES WATER SOFTENER	MAINTENANCE	GENERAL OP	199	\$ 16,000.00
05/20/20	ESC- REGION 20	COVID 19 COOP AGREEMENT (PAYMENT 1 OF 3)	BUSINESS OFFICE	GENERAL OP	199	\$ 22,484.00
						<u>\$ 38,484.00</u>

ACTION ITEMS

Communication
June 15, 2020

To: Board of Trustees
From: Mark J. Foust, Ed.D.
Re: Consider TASB Advocacy Resolution

The Board of Trustees received a copy of the TASB Advocacy Resolution for “full funding for the expansion of universal high-quality full-day prekindergarten” in the June 11, 2020 Friday Report. If approved this will allow Kerrville ISD to submit a formal proposal of a resolution adopted by a previous TASB Delegate assembly, that is not yet included in TASB’s slate of resolutions.

Enclosure: Advocacy Resolution

Action Requested

Board Approval

Policy Implications

None

Contact Person (s)

Mark J. Foust, Ed.D.

Financial Impact

None

I recommend that the Board of Trustees approve the TASB Advocacy Resolution related to full funding of full day prekindergarten programs.

Advocacy Resolution

Please note:

- Your district may propose a new resolution or a resolution adopted by a previous Delegate Assembly. **Resolutions must be submitted on this form.** Attachments will not be considered, and each resolution must have its own district rationale supporting its adoption.
- Express each proposal as a **short, simple sentence** stating the position you wish TASB to take regarding a matter of interest to your school district.
- Use copies of this form if submitting more than one resolution.
- Express **in paragraph form** your district’s rationale for the proposed resolution in the “statement of reasons” section below.
- The language of the proposal and rationale will be edited for length, style, and clarity. Substantive changes in the language of the proposed resolution or amendment shall be referred to the district for approval by a district representative.
- Similar submissions will be combined. Each district will then appear as a cosponsor of the combined proposal.

Proposed resolution: TASB advocates for: full funding for the expansion of universal high-quality full-day prekindergarten.

Statement of reasons: When districts move from half-day Pre-K to legislatively required full day Pre-K programs there are additional costs related to staffing and facilities. The funding in the Early Education Allotment for Kinder – 3rd grade is not sufficient to fund Reading Academies and full day prekindergarten programs. To continue to fund full day Pre-K programs at half day funding does not address the additional costs incurred by districts. Districts are required to reduce budgets from other district programs or reduce staff in other areas in order to adequately fund the required full day pre-k program.

I hereby certify that the above proposed resolution was approved by our board on 6/15/2020.
(Date of meeting)

Board president’s signature _____

Name of school district Kerrville ISD

County-district number 133-903

Please e-mail your board’s proposed resolution(s) by June 15, 2020, to Athena Frangeskou with TASB Governmental Relations at athena.frangeskou@tasb.o

To: Board of Trustees
From: Dr. Mark Foust and Heather Engstrom
Re: Consider Full Day Pre-Kindergarten Start times for 2020-2021 School Year

The administration recommends for the 2020-2021 school year, an adjustment of the arrival and dismissal times at ECC to accommodate the Full Day Pre-Kindergarten Program. The Early Childhood Special Education (ECSE) Program will remain a half-day option for students who qualify.

The change to the schedule will not impact the transportation department.

Proposed 2020-2021 Schedules

Head-Start and Full-Day Pre-Kindergarten
7:45 - 3:15

Half-Day Program for Early Childhood Special Education (ECSE) – No Change
7:40 - 11:00 AM ½ Day Program
12:00 - 3:20 PM ½ Day Program

Action Required
Board Approval

Policy Implications
None

Contact Person(s)
Mark J. Foust, Ed.D.
Heather Engstrom
Steve Schwarz
Susana Alejandro

Financial Impact
None

I recommend that the Board of Trustees approves the adjustment of the arrival and dismissal times at ECC beginning with the 2020-2021 school year.