



**Marble Falls ISD  
Special Meeting**

**Monday, June 14, 2010  
6:00 PM**

**AGENDA OF SPECIAL MEETING  
MARBLE FALLS INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES  
MONDAY, JUNE 14, 2010 – 6:00 PM  
Marble Falls Administration Building**

Notice is hereby given that on June 14, 2010, the Board of Trustees of the Marble Falls Independent School District will hold a Special meeting at 6:00 PM, at the Marble Falls Administration Building.

The subjects to be discussed or considered, or upon which any formal action may be taken are listed below. Items do not have to be taken in the order shown on this meeting notice

1. Call to Order  
Presenter: Martin McLean, President
2. Roll Call
3. Workshop on Preliminary 2010-11 District Budget 3  
Presenter: Mike Fletcher
4. Presentations to the Board from Superintendent Search Firms 17
5. Discussion and Possible Approval of Superintendent Search Firm
6. Adjourn

*If during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Govt. Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.*

FOR THE BOARD OF TRUSTEES  
MARBLE FALLS INDEPENDENT SCHOOL

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Ryder Warren, Superintendent of Schools  
Marble Falls Independent School District



# **Budget Presentation**

## **June 14, 2010- Draft #1**

Marble Falls ISD

2010-11 General Operating Fund

2010-11 Debt Service Fund

# Agenda

The following overview is intended to explain the budgetary process for Marble Falls ISD.

The District Improvement Plan and the Campus Improvement Plans are designed to be road maps in budget development in the academic areas.

Allocation Budgeting Approach is defined as a method to provide a basic allocation per student with the addition of designated allocations for special student populations.

Comparison studies of other like districts assist in developing allocations per student and budgets in the non-academic and support service areas.



## **Revenue Summary**



## **Calculation of Tax Revenue & State Funding**



## **Expense Summary**



## **Debt Service Summary**

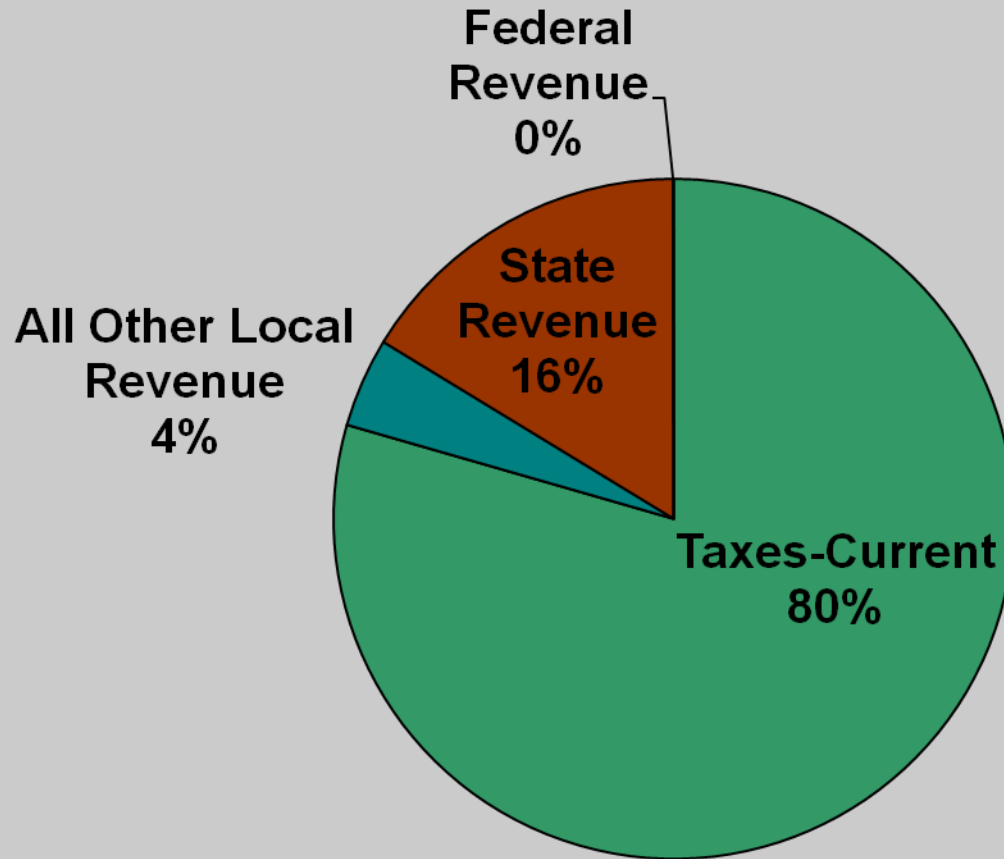


## **Budget Considerations**

# Revenue Summary

<i>Description</i>	<b>2009-10</b>	<b>2010-11 Preliminary</b>	<b>% Change</b>
Local Taxes- Current (5711)	\$27,769,337	\$28,345,236	2.08
Delinquent Taxes (5712)	750,000	750,000	0.00
Penalty & Interest (5719)	440,000	440,000	0.00
Other Local Revenue (5700)	637,952	338,550	-46.94
State Revenue (5800)	6,546,663	5,845,993	-10.86
Federal Revenue (5900)	10,000	10,000	0.00
<b>TOTALS - FUND 199</b>	<b>\$36,153,952</b>	<b>\$35,729,779</b>	<b>-1.18</b>
Stimulus Fund- 266	\$1,173,088	\$ 1,173,088	0.00

# Revenue Breakout- 2010-11



# Tax Calculation & State Funding Overview

<b>Net Taxable Value</b>	<b>2,532,239,891</b>
<b>Divided by 100</b>	<b>25,322,399</b>
<b>Total Tax Rate X</b>	<b>.0129</b>
<b>Total Net Levy</b>	<b>32,665,894</b>
<b>Collection % X</b>	<b>.97</b>
<b>Expected Net Taxes</b>	<b>31,685,917</b>
<b>Frozen Collection +</b>	<b>3,520,000</b>
<b>Total Collections</b>	<b>\$35,205,917</b>
<b>M &amp; O Revenue @ 1.04</b>	<b>\$28,345,236</b>
<b>Debt Revenue @ 0.29</b>	<b>6,860,681</b>

<b>Refined ADA</b>	<b>3,680</b>
<b>Tier 1 Total Cost</b>	<b>24,912,152</b>
<b>Local Share -</b>	<b>23,828,679</b>
<b>Tier 1 State Aid</b>	<b>1,083,473</b>
<b>Tier 11 State Aid</b>	<b>142,726</b>
<b>Other Addl. Aid</b>	<b>2,949,794</b>
<b>M &amp; O State Aid</b>	<b>4,175,993</b>
<b>TRS On-Behalf</b>	<b>1,669,999</b>
<b>Technology Aid</b>	<b>108,302</b>
<b>Debt Assistance</b>	<b>0</b>
<b>Stimulus Fund</b>	<b>1,173,088</b>
<b>All Funds-State</b>	<b>7,127,382</b>

# Expense Summary

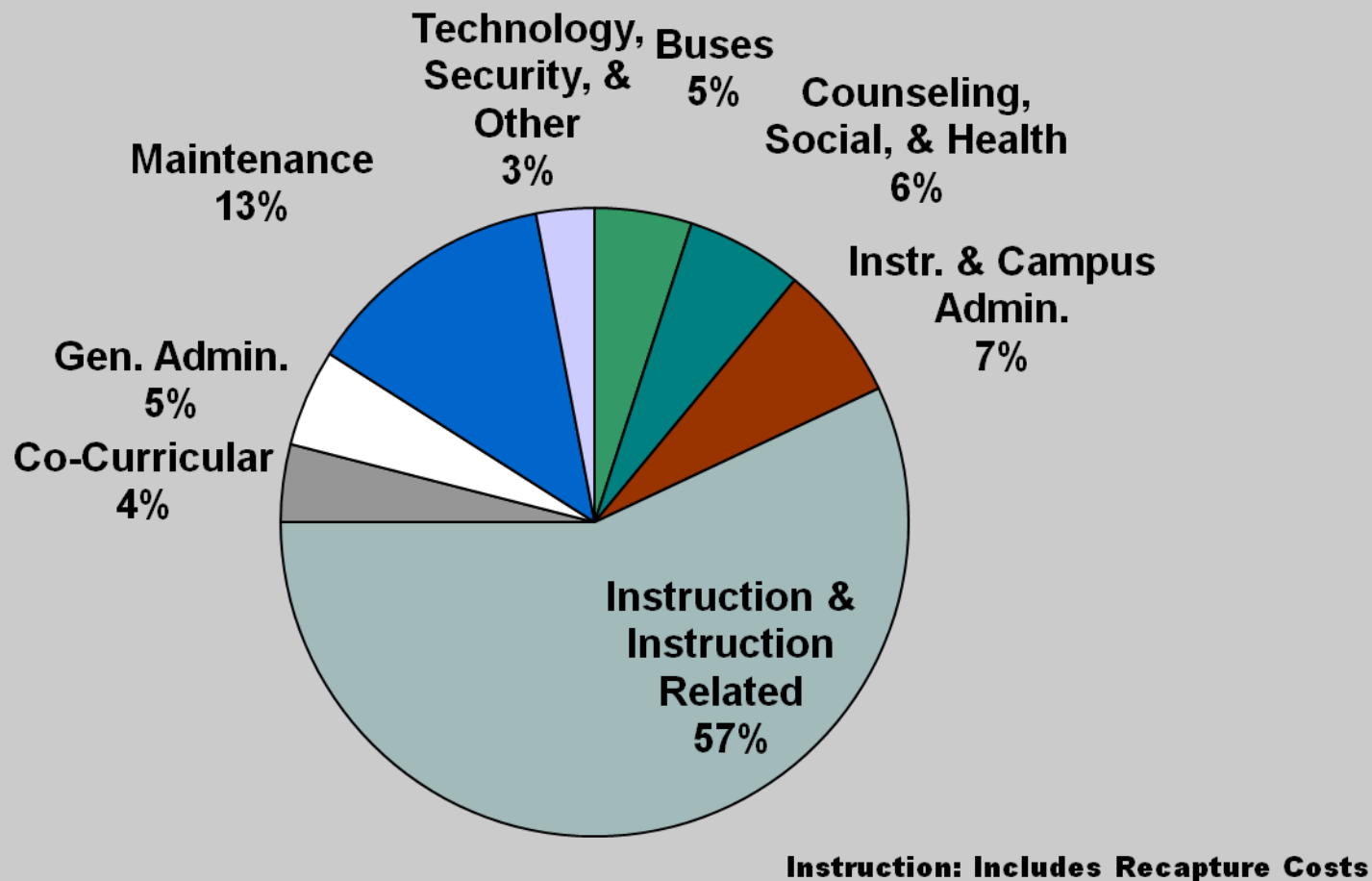
Function	2009-10	2010-11	% Change
11-Instruction	18,169,146	17,273,112	-4.94
12-Library/Media	555,125	586,200	5.60
13-Staff Development	194,685	195,400	0.37
21-Instructional Administration	760,529	762,100	0.21
23-Campus Administration	2,200,537	1,980,800	-9.99
31-Guidance/Counseling	1,116,782	1,129,700	1.16
33-Health Services	375,428	361,500	-3.71
34-Transportation	1,843,308	1,835,500	-0.43
36-Co-curricular	1,478,581	1,538,300	4.04
41-General Administration	1,047,432	1,163,900	11.12
51-Maintenance	4,744,926	5,240,000	10.44
52-Security	102,130	102,130	0

# Expense Summary- Continued

<b>53-Data Processing</b>	<b>1,486,732</b>	<b>1,083,300</b>	<b>-27.14</b>
<b>61-Community Services</b>	<b>276,199</b>	<b>278,400</b>	<b>0.80</b>
<b>81-Facilities Acquisition</b>	<b>35,000</b>	<b>0</b>	<b>-100.00</b>
<b>91-Student Attendance Cr</b>	<b>3,527,361</b>	<b>3,175,000</b>	<b>-9.99</b>
<b>99-Purchases &amp; Contract Services</b>	<b>625,000</b>	<b>650,000</b>	<b>4.00</b>
<b>TOTALS- Fund 199</b>	<b>38,529,308</b>	<b>37,355,342</b>	<b>-3.05</b>
<b>11-Stimulus Fund 266</b>	<b>1,173,088</b>	<b>1,173,088</b>	<b>0</b>
<b>Surplus/Deficit</b>	<b>(2,376,356)</b>	<b>(1,625,563)</b>	

\$ amounts in 2009-10 & 2010-11 will change during the next two months!

# Expense Breakout- 2010-11



# Expense Highlights

- **Payroll Costs include-** The Marble Falls ISD salaries for each job category. Benefits include worker's compensation, federal matching taxes, health insurance, TRS active care match, TRS above state minimum, and unemployment insurance. Object code 6100- 80% of budget.
  - **Operating costs include-** Contract service-Object code 6200- 10%, supplies- Object code 6300-4%, and travel & other miscellaneous costs- Object code 6400- 3%.
  - **Capital Outlay cost include** facility improvements and major equipment- Object code 6600- 3%.
  - **The basic per student allocation amounts for each campus were;**

<b>Elementary Schools-</b>	<b>\$200.00</b>
<b>Middle Schools-</b>	<b>\$225.00</b>
<b>High School-</b>	<b>\$335.00</b>
- The above amounts are established to cover operating costs only.**

# Debt Service

## REVENUE

<b>Fund 599</b>	<b>2009-10 Budget</b>	<b>2010-11 Proposed Budget</b>	<b>% Change</b>
<b>Local (5700)</b>	<b>6,671,357</b>	<b>6,860,682</b>	<b>1.07</b>

## EXPENDITURES

<b>71- Debt Services</b>	<b>6,643,987</b>	<b>6,671,682</b>	<b>0.04</b>
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# Budget Considerations

- **As shown in the Revenue & Expense Summary from the previous slides:**
  - **Revenue = \$35,729,779**
  - **Expense = \$37,355,342**
  - **Deficit = \$ 1,625,563**
- **This budget assumes that our District will:**
- **Defer the 4<sup>th</sup> year of the Teacher, Librarian, Nurse Salary Plan. Evaluate annually.**
- **Approve a step advance on the current TLN Salary Plan.**
- **Freeze salaries for all other staff.**
- **Adopt a two year attrition plan. Evaluate all positions vacated by retirement and resignation and act accordingly to reduce total staff.**
- **Enforce recommended reductions to controllable operational costs for the next two years.**

# **Budget Considerations Continued**

- **As the Budget develops over the next two months, revenue adjustments, results of attrition and further reduction of operational costs will be applied to the current projections. The deficit will be reduced accordingly.**
- 
- **Questions**
  - **Schedule a time for Draft # 2**
  - **Close**

Marble Falls ISD  
Teacher Salary Study  
2009-10

District	Enroll	0 Yr. Salary	5 Yr. Salary	10 Yr. Salary	15 Yr. Salary	20 Yr. Salary	Max. Salary
Aransas County	3140	37,330	39,830	42,330	44,830	48,330	50,430
Big Spring	3843	34,500	37,000	41,562	45,240	48,390	48,990
Burnet	3334	34,505	38,213	43,466	46,865	49,440	54,590
Dripping Springs	4141	41,150	44,150	47,150	50,150	53,150	59,150
Dumas	4395	41,000	42,500	44,538	46,538	50,228	51,228
Fredericksburg	2800	35,170	38,160	42,640	46,760	49,870	52,370
Lake Travis	6559	41,116	44,166	47,216	50,266	53,316	61,856
Port Neches-Groves	4600	37,840	39,717	41,324	44,687	49,657	58,460
Stephenville	3563	33,554	37,794	43,274	47,394	50,504	52,004
Tuloso-Midway	3414	39,056	40,806	44,306	48,562	52,856	53,206
Whitehouse	4617	38,500	40,160	41,410	45,490	49,620	49,620
Comp Grp Average	4037	37,611	40,227	43,565	46,980	50,487	53,809
Marble Falls	3900	38,500	41,895	45,290	48,700	52,500	57,500
Enroll Group	3000-4999	38,347	40,487	43,503	47,008	50,575	54,633
Region 13	40 schools	37,988	40,400	43,624	47,177	50,625	55,800

Marble Falls ISD  
Teacher Salary Study  
2009-10 Graph





**Texas Association of School Boards**

P.O. Box 400 • Austin, Texas 78767-0400 • 512.467.0222  
12007 Research Blvd. • Austin, Texas 78759-2439 • www.tasb.org

*Serving Texas Schools Since 1949*

June 1, 2010

Mr. Mike Fletcher  
Marble Falls ISD  
1800 Colt Circle  
Marble Falls, TX 78654

Dear Mr. Fletcher:

Selecting a successful superintendent/CEO is one of the most important and difficult decisions a school board will ever undertake. As your Association, we would like to help you through the search process and are pleased to submit the following proposal for conducting a superintendent search for Marble Falls ISD.

With more than 20 years of experience, Texas Association of School Boards (TASB) Executive Search Services (ESS) understands the needs and concerns of Texas school districts, and we have the network and expertise to meet those needs. Our search knowledge and breadth of resources are unrivaled. In addition, our online application process attracts more applicants and provides boards detailed applicant information.

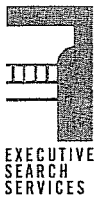
As an experienced, professional search team, we work for the board and make recommendations for their consideration. More importantly, we are involved every step of the way, helping the board find the most qualified leader for the district. Once the search is complete, our work continues as we assist the new leadership team in making the transition.

We look forward to meeting with the board to discuss our process and plan your search. To coordinate a meeting or for additional information, call 800.580.8272, extension 6243. Thank you for your consideration of ESS as your search consultant.

Sincerely,

Butch Felkner, Director  
Executive Search Services

Cc: Marble Falls ISD Board of Trustees



**MARBLE FALLS ISD  
EXECUTIVE SEARCH AND RECRUITMENT SERVICES  
FOR SUPERINTENDENT OF SCHOOLS  
June 1, 2010**

Executive Summary

Section I – Firm Information

Section II – Firm/Project Team

Section III – Processes/Procedures

Section IV – Financial Proposal

Section V – References

Section VI – Proposed Agreement

Required Forms:

- a. Felony Conviction Notice
- b. Conflict of Interest

Firm Financial Information



## Executive Summary

Texas Association of School Boards Executive Search Services (ESS) will assist the Marble Falls ISD Board of Trustees in hiring the best qualified superintendent/CEO possible by accomplishing the following tasks:

1. Work with the board, or its designated point of contact, to ensure all administration related to the search, such as suggested agenda language and public announcements, are successfully accomplished.
2. Develop, for board approval, a time line for the search that schedules all important events.
3. Develop, for board approval, a list of qualifications and characteristics (Q&Cs) describing the ideal candidate. The list is based on profile sessions conducted with groups of key stakeholders from the district and community and using a copyrighted confidential survey (English and Spanish) provided on the ESS Web Site.
4. Advertise the search using the list of Q&Cs to recruit qualified applicants.
5. Conduct background and performance checks on applicants.
6. Assist the board in selecting the best qualified applicants for interview.
7. Prepare the board for its role in conducting interviews.
8. Assist the board in conducting a site visit to the home district of the top qualified person of interest following interviews.
9. Prepare and publish announcements relating to the naming of the lone finalist and hiring of the new district superintendent/CEO.

### *Guiding Concepts:*

We believe that a superintendent/CEO search is the most important task a school board undertakes and that the search belongs to the board. As a result, ESS serves at the pleasure of the board.

To support the board, we act as a source of expert advice, undertake all of the tasks that need to be accomplished for the search to progress successfully, and collect, organize, and display the data needed by the board to make effective decisions.

These actions demonstrate our adherence to these concepts:

- The board approves the search time line based on an initial recommendation from the ESS consultants. The board may modify the time line at any time as the situation warrants.
- The involvement of the community and district (profiling) in determining the qualifications and characteristics (Q&Cs) of the new superintendent/CEO is a decision the board will make. The board modifies the proposed Q&Cs to suit its desires and then approves the final list.
- The board may view all of the application packets received for the district's position. These application packets are transferred to CDs and provided to each trustee for review and discussion with the consultants in order to determine which applicants will be invited for interview. Each trustee will have the opportunity to discuss the application of any applicant.

- ESS has a recommended series of steps for the search process. However, those steps can be modified as the board desires. The consultants will advise the board regarding the consequences of any modification, but the final decision belongs to the board.
- The number of applicants to interview, the structure of the site visit, the structure of the salary and benefits package, and the format of the employment contract are all areas where the board may deviate from the recommendations provided by the ESS consultants.

Event	Description
<b>Planning</b>	Each of the key events on this list and the appropriate dates are discussed, modified as required, and approved by the board. The consultant presents a draft time line for discussion.
<b>Leadership profile development</b>	Information is collected from a variety of groups during interview sessions. The purpose is to develop a profile of the ideal candidate. The list of groups and session times are approved by the board based on a draft recommendation from the consultant. Community and district residents also may provide input using the district's Web site.
<b>Leadership profile report</b>	This is an optional meeting in which the consultant presents a summary of the information gathered during the profile sessions. Included is a list of qualifications and characteristics (Q&Cs), which forms the basis of the advertising for a new superintendent/CEO. The board approves the Q&Cs list.
Application deadline	This is an administrative date by which all applications are submitted to ESS in an electronic (Web-based) format. The board takes no action.
<b>Review of applications</b>	Within a week of the application deadline, each trustee receives a confidential CD containing all of the applications. The board uses the CDs and recommendations from the consultant to decide which applicants it will initially interview. The board also develops questions for the interview and approves the interview schedule.
Initial interviews	This part of the process occurs over two to three evenings with the board interviewing two applicants per night. The board then selects two to three candidates they wish to interview in greater detail.
<b>Prepare for final interviews</b>	The board and consultant discuss the final interview schedule and arrangements for the related social event.
Final interviews	Each interview takes two to three hours and begins with a social event (reception or dinner) involving the board members, their spouses, the candidate, and his or her spouse. Following the social event, the board and candidate meet for the final interview. At the completion of the final interviews, the board selects the one candidate in whom they are most interested.
Site visit to home district	A board committee visits the home district of the selected candidate and interviews selected community and district representatives. This contact reassures the board they are making the correct choice for a new superintendent/CEO.
Vote to name finalist	The board committee returns home and reports its findings to the board, which then can decide to name a finalist. This requires formal action and is the time when the name of the lone finalist is publicly released.
Vote to hire	After waiting the mandated 21 days for public response, the board votes to hire the new superintendent/CEO. The superintendent's contract is completed at this point.
Superintendent reports to district	This date will be determined by the board and new superintendent/CEO.

*Events shown in bold indicate when the board and consultants are working together*



## Section I – Firm Information

### *Full name and address of the firm:*

Texas Association of School Boards  
Executive Search Services  
12007 Research Blvd.  
Austin, Texas 78759-2439  
Phone: 800.580.8272

### *Description of the firm:*

Executive Search Services (ESS) was established in 1988 as a division of the Texas Association of School Boards (TASB). As a statewide, nonprofit organization, TASB is governed by a 43-member board composed of public school board members representing the entire state. The executive director of TASB is James (Jim) B. Crow.

Staff members who work at the Association's headquarters in Austin: ESS program director, Field Services program director, a senior consultant, and a program coordinator who is available daily to provide support and respond to questions or requests for information. ESS is under the direction of the associate executive director for District Services who also serves as a lead consultant

Associate executive director—Benjamin Canada  
[benjamin.canada@tasb.org](mailto:benjamin.canada@tasb.org)

ESS Program director—Butch Felkner  
[butch.felkner@tasb.org](mailto:butch.felkner@tasb.org)

Field Services Program director—Mike Rains  
[mike.rains@tasb.org](mailto:mike.rains@tasb.org)

Senior consultant—Mayo Neyland  
[mayo.neyland@tasb.org](mailto:mayo.neyland@tasb.org)

Program coordinator—Charlotte Sautter  
[charlotte.sautter@tasb.org](mailto:charlotte.sautter@tasb.org)

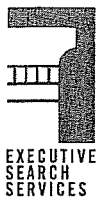
### *Other unique information:*

ESS guarantees to place a highly qualified superintendent/CEO in the district to the board's total satisfaction. If that superintendent/CEO should leave within two years for any reason, ESS will reopen the search with no additional consulting fee; only expenses will be billed.

### *Firm financial information:*

ESS's financial information is attached at the end of this document.





## Section II – Firm/Project Team

### *Qualifications and experience:*

Since 1988, ESS has assisted more than 520 school boards with superintendent/CEO searches. These districts have ranged in size from less than 100 students to more than 194,000 students.

The majority of placements have been school district superintendent/CEOs. However, ESS also has placed other key administrators, such as assistant superintendents, department directors, campus principals, and a community college president. The candidates placed in larger districts and the president placed at the community college were recruited through national searches.

### *Search project team:*

Benjamin O. Canada, associate executive director of District Services, joined TASB in August 2002. He has worked in education and educational related fields for more than 42 years, serving as teacher, principal, assistant superintendent, and superintendent/CEO. He has served as superintendent/CEO of public schools in Oregon, Georgia, and Mississippi, and assistant superintendent for business and operations services in Arizona. He is a past president of both the National Association of Superintendent/CEO Searchers and the American Association of School Administrators.

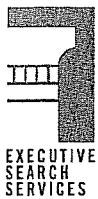
Butch Felkner, division director, joined Executive Search Services in January 2007. He has six years of experience as a superintendent/CEO in Huntington ISD, and served 24 years in other capacities in Huntington, Mineral Wells, Pflugerville, and Waco area ISDs. He received a bachelor of arts degree from Southern Nazarene University in 1975 and a master's of education degree from Texas Women's University in 1984.

Mike Rains is a former teacher, coach, and school trustee. He joined TASB in 1987 as a District Services consultant, calling on 139 districts in ESC regions 2, 3, 4, 15, and 20. From 1989 through 1994, he was the director of the TLTG Product Management Division. He also has served as director of the Technology Solutions and Facility Planning Divisions and assistant division director for the Risk Management Sales and Marketing Division. Rains is currently division director of Field Services

Mayo Neyland, senior consultant, joined TASB in 1992 as a consultant and coordinator with Leadership Team Services. He transferred to ESS in 2005. His background includes 10 years in educational institutions as a professor, program director, and department chair. His bachelor of science degree is from Sam Houston State University, and he has advanced degrees in education from Georgia State and New Mexico State universities. He has extensive experience in personnel management, organizational development, and operational planning.

Joe Dan Lee served 32 years in public education as a teacher, principal, and superintendent. For 23 of those years, he served as a superintendent in Redwater, Pine Tree, and Georgetown ISDs. He was the 1998 Region 8 Superintendent of the Year and finalist for the 2002 Region 7 Superintendent of the Year. Lee has bachelor and master degrees in education from Texas A&M University-Commerce. He also completed 54 post graduate hours in educational administration to earn mid-management and superintendent certification. As a TASB field services representative, Lee works with Regions 12 and 13, and part of Region 20. He resides in Georgetown.





Listing of like (ADA 3,000 - 6,100) searches over the past three years:

Year	District	Board President	Telephone	ADA
2007—08	Brownwood ISD	Michael Coppic	325-643-5644	3,324
2007—08	Mineral Wells ISD	David Bullock	940-328-0852	3,360
2007—08	Bay City ISD	Paul Johnson	979-245-5766	3,698
2007—08	Lockhart ISD	Tim Juarez	512-228-7611	4,109
2007—08	Texas City ISD	David Moss	409-942-2713	5,301
2007—08	Cleburne ISD	Stuart Madison	817-202-1100	6,104
2008—09	Kingsville ISD	Larry Garza	361-592-3387	3,796
2008—09	Vidor ISD	Wayne Sonnier	409-951-8714	4,559
2008—09	Jacksonville ISD	James Houser	903-586-6512	4,572
2008—09	Ennis ISD	Mack Boyd	972-875-9027	5,296
2009—10	Henderson ISD	Jon Johnston	903-657-8511	3,145
2009—10	Uvalde CISD	Allen Mize	830-278-6655	4,496
2009—10	Corsicana ISD	Tom Seth	903-874-7441	5,288

ESS conducted 73 successful searches during the past three years. There were no unsuccessful searches during that period.

*Project team availability:*

Members of the project team serve at the pleasure of the board and are available to support whatever schedule the board desires.



### Section III – Processes/Procedures

*Describe the processes and procedures employed to identify, recruit, and evaluate candidates:*

To locate the most qualified candidates, ESS uses a variety of state and national resources.

For in-state candidates, we rely heavily on our network of field services representatives. Our representatives serve throughout the state and have developed strong relationships with the district administrators in their assigned service areas. With this knowledge of Texas school districts, we can identify highly qualified applicants. ESS also relies on this network of field services representatives to conduct detailed checks on the references of each applicant. Additionally, we conduct background checks, and a Web search on each applicant.

ESS advertises the search on the TASB, TexasISD, Texas Association of School Administrators, and the National Association of Superintendent Searchers Web sites.

For a national search, ESS advertises in *Education Week* (both print and on line) and on the Web site of the American Association of School Administrators.

Additionally, ESS has professional relationships with the following organizations and uses those to identify qualified candidates:

- a. National Association of Superintendent Searchers (sponsored by the National School Boards Association)
- b. The Urban Superintendent Association of America
- c. Council of Urban Boards of Education
- d. The Harvard University Urban Superintendent/CEOs Program
- e. National Association for Bilingual Education
- f. Association of Latino Administrators and Superintendent/CEOs
- g. National Alliance of Black School Administrators
- h. The Horace Mann League

Our relationship with the National Association of Superintendent Searchers enables us to use the national network of each state school board association to advertise a search and identify qualified applicants. This network also assists in checking the background and qualifications of any applicant who applies for a position but does not reside in Texas.

*Proposed time line:*

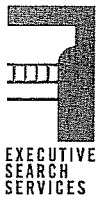
<b>Event</b>	<b>Date</b>
Planning	Week of June 14
Community engagement/profile sessions	Week of June 14
Leadership qualifications and characteristics report	Week of June 21
Application deadline	Week of July 12
Review of applications	Week of July 19
Initial interviews	Week of July 26
Prepare for follow-up interviews	Week of August 2
Follow-up interviews	Week of August 2
Site visit to home district	Week of August 9
Vote to name finalist	Week of August 9
Vote to hire	Week of August 30
Superintendent/CEO reports to district	To be determined during negotiations

*Obtaining input from the community and stakeholder groups:*

ESS believes that involving key stakeholder groups to develop the criteria for selecting the new superintendent/CEO is critical for district and community commitment. This is a strength in our search process.

- a. During the initial board planning session, the consultant recommends specific dates and times to meet with selected groups of district and community members and gather input using group sessions.
- b. The profiling (community involvement) process may take one or two days and can move to different sites to reach all interested stakeholders.
- c. ESS uses the district's web site and a confidential Web-based system to make an online survey available. This process allows those with scheduling conflicts to participate and provide their comments.
- d. The board meets with the consultants in a separate session and provides its input to the profile development.

ESS consultants develop a report containing the details from the sessions and survey along with a list of qualifications and characteristics (Q&Cs). The draft list is presented to the board for its review, modification as desired, and approval. The approved list forms the basis for advertising the position and selecting the best qualified candidates.



## Section IV – Financial Proposal

### *Pricing structure:*

Our fees for conducting a search are based on the average daily attendance (ADA). The all-inclusive contract price to conduct a superintendent/CEO search for Marble Falls ISD is \$7,200.00. See the attached budget worksheet.

### *Innovative processes:*

ESS relies on a Web-based application and information management system to increase efficiency and reduce costs. This eliminates all of the paper handling associated with the traditional search process.

Application materials are received through the secured online application system and transferred to individual CDs for the trustees' use when reviewing the material. This standardizes the format of the documents and makes navigation simpler. Our use of technology is the primary reason our pricing structure is often less than other firms.





## Marble Falls ISD Detailed Fee Structure

		Local Search	National Search
<b>Proposed Search Fee</b>		\$7,200	\$7,200
<b>Consultant Travel</b>	Planning session to finalize search procedures	Included	Included
	Conduct community involvement sessions	Included	Included
	Present qualifications and characteristics report	Included	Included
	Present applications and prepare for interviews	Included	Included
	Prepare for final interviews	Included	Included
	Attend site visit with board committee	Included	Included
<b>Other Expenses</b>	Printing	Included	Included
	Advertising in statewide sources (TASB, TASA, Texas ISD)	Included	Included
	Postage	Included	Included
<b>Board Decisions*</b>	Board committee travel to site visit*	\$500 est.	\$1200 est.
	Applicant travel to district for first and/or second interview*	\$800 est.(state) \$3600 est.(national)	\$800 est. (state) \$3600 est.(national)
	Advertising for national search*	None	\$3000 est.
<b>Total Contract Amount</b>		\$7,200	\$7,200

*\*These expenses are initially covered by ESS and billed back to the district on the final invoice*

### CONFIDENTIAL

Do not share this information with persons not directly involved in the decisions of this proposal



## Section V – References

*Recent clients of similar size districts:*

- a. Uvalde CISD (ADA 4,496)
  - i. Alan Mize (board president), 830.591.6307, mizea@ucisd.net
  - ii. Dr. Richard Loesch (superintendent/CEO), P.O. Box 1909, Uvalde, TX 78802, 830.278.6655, rloesch@ucisd.net
- b. Schertz-Cibolo-Universal City ISD (ADA 9,861)
  - i. George Ricks (board president), 210.249.2750, gricks@gmail.com
  - ii. Dr. Greg Gibson (superintendent/CEO), 361.945.6235, ggibson@scuc.txed.net
- c. Corsicana ISD (ADA 5,288)
  - i. Terry Seth (board president), 903.872.2412, terry@corsicanaymca.org
  - ii. Dr. Diane Frost (superintendent/CEO), 903.874.7441, cfrost@cisd.org
- d. Henderson ISD (ADA 3,145)
  - i. Jon Johnson (board president), 903.657.8511, jhjrskco@yahoo.com
  - ii. Mr. Keith Boles (superintendent/CEO), 903.657.8511, kboles@hendersonisd.org
- e. Kingsville ISD (ADA 3,796)
  - i. Larry Garza (board president), 361.595.1915, lgarza\_82@yahoo.com
  - ii. Mr. Emilio Castro (superintendent/CEO), 361.595.3387 x8113, [ecastro@kingsvilleisd.com](mailto:ecastro@kingsvilleisd.com)

*Note: This list reflects the board president at the time of the search.*



## Executive Search Services Contract

This Contract is made by and between the Board of Trustees of the Marble Falls Independent School District (Board or District), a body corporate and politic, of Burnet County, Texas, and the Texas Association of School Boards, Inc. (TASB), a nonprofit Texas corporation with offices in Austin, Texas.

### WITNESSETH:

WHEREAS, at a duly held meeting of the Board, TASB was engaged as an independent consultant to assist the Board in a search for a new superintendent/chief executive officer for the District, and

WHEREAS, TASB accepted this engagement;

NOW, THEREFORE, pursuant to the authority of Section 11.151 of the Texas Education Code and the general laws of the State of Texas, the Board and TASB agree as follows:

#### I.

Performance by TASB. In exchange for the monetary consideration detailed below to be paid by the Board, TASB agrees to perform the tasks as specified in Exhibit A hereto.

#### II.

Performance by the Board. The Board agrees to work together with TASB in the search for the new superintendent/CEO of the District. It is agreed between both parties that the final decision for selection to the chief executive officer position is left solely to the Board. In light of this working relationship, the Board agrees to accept the following duties and responsibilities:

- A. Promptly inform TASB about matters relevant to the search which must be kept confidential.
- B. Promptly determine and assist in arranging a schedule for interviews with any candidates, including any finalists.
- C. Maintain the confidentiality of the information provided by TASB, whether such information is provided to the Board in an electronic format or in a paper format.

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If the Board is required to disclose such information pursuant to state or federal law, the Board must first notify TASB before disclosing the information.

- D. Each individual member of the Board will execute an Acknowledgment of Confidentiality ("Acknowledgment"), attached hereto as Exhibit B, and abide by the terms in the Acknowledgment.

### III.

Consideration. For the services performed by TASB as outlined in this Contract, the Board agrees to pay TASB a professional services fee of seven thousand two hundred dollars (\$7,200). This fee is all inclusive and covers TASB staff's travel and overhead expenses related to the search except as otherwise specified herein. TASB will bill the District the full amount owed under this Agreement within 10 working days after the date the Board votes to hire a candidate or within 10 working days after TASB has completed its responsibilities leading to the selection of a finalist. Payment is due to TASB within 30 days after the District's receipt of the bill. Any taxes, FICA, or other deductions which the District is legally required to make from the pay of regular employees will not be withheld from TASB payment(s).

If the Board chooses to reimburse applicants for travel expenses or any other kind of expense, the Board acknowledges that such expenses are not included in the fee paid to TASB under this Agreement. The Board is responsible for paying any such expenses.

Should the Board elect to conduct a site visit to the district of a candidate, the travel and lodging expenses will be paid by the contracting district. Expenses for the attending search consultant will be paid by Executive Search Services.

Should a superintendent/CEO hired pursuant to this Agreement leave the district within one year from the date of hire, for any reason other than a family emergency, ESS will reopen the search one time only if District pays for all of TASB's reasonable out-of-pocket expenses (TASB's customary fee will be waived).

### IV.

Amendments. This Contract may be amended by the mutual agreement of all parties. Any amendment must be in writing, and a copy shall be attached to this Contract.

### V.

Termination. This agreement may be terminated by either party upon seven (7) days' prior written notice to the other party. If this contract is terminated by either party, TASB will be paid the following amount, as applicable, with such amount being due and

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payable upon the onset of the applicable contract phase, however, the amount shall not be less than \$2,500.

<b>Contract Phase</b>	<b>Amount due TASB</b>
1. Planning Session	\$2,500
2. Community Profile Session	40% of fee or \$3,680 (whichever is greater)
3 Profile Report for Board	50% of fee
4. First Round of Candidate Applicant Review	75% of fee
5. Second Round of Candidate Applicant Review	90% of fee
6. Past 5 <sup>th</sup> phase	100% of fee

The District understands and agrees that damages from an early termination are difficult to ascertain and, therefore, the amount due to TASB under this provision constitutes liquidated damages and not a penalty.

In addition to the foregoing, this agreement is subject to cancellation due to Acts of God, riots, strikes, labor difficulties, acts of public authorities, illness, unforeseen emergency, or any other condition beyond the control of either party.

VI.

Controlling Law/Venue. This Contract will be interpreted under, and controlled by, the laws of the State of Texas. Venue shall lie in Travis County, Texas.

VII.

Ownership of Records. TASB is an independent contractor. All records developed, gathered, and/or maintained by TASB are the sole property of TASB. The Board will not have access to TASB files, correspondence, or other records unless permitted by TASB or as otherwise required by law. Such permission shall not be unreasonably withheld by TASB.

VIII.

News/Media. TASB will cooperate with the District as the District coordinates the release of names and biographical information on all candidates, in accordance with applicable law.

IX.

Limitation of Liability. TASB's liability under this Agreement is limited to the fees paid by the District to TASB under this Agreement.

X.

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Attorney Fees. The parties agree that, in the event of a lawsuit relating to this Agreement, the prevailing party is entitled to recover its reasonable and necessary attorney fees pursuant to Section 271.159 of the Texas Local Government Code.

XI.

Entire Contract. This Contract constitutes the entire agreement between the Board and TASB and supersedes all prior written or oral agreements. This Contract may not be modified, except as specified in Paragraph IV.

WITNESS our signature on this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**BOARD OF TRUSTEES OF MARBLE FALLS INDEPENDENT SCHOOL DISTRICT**

BY: \_\_\_\_\_  
President, Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

**TEXAS ASSOCIATION OF SCHOOL BOARDS, INC.**

BY: \_\_\_\_\_  
Butch Felkner, Director  
Executive Search Services





## Exhibit A: Consultant's Duties and Responsibilities

1. Make public announcements of superintendent/CEO vacancy.
2. Develop a search time line.
3. Assist board in posting notices of all public meetings.
4. Conduct community involvement sessions which may include the following groups:
  - a) Board members
  - b) Teachers
  - c) Students
  - d) Central office administrators
  - e) Principals and assistant principals
  - f) Paraprofessionals and auxiliary personnel
  - g) PTA and PTO members
  - h) Business, professional, and civic leaders
  - i) Former board members
  - j) Special interest groups
  - k) Media
5. Develop leadership qualifications and characteristics of new superintendent/CEO.
6. Develop qualifications and characteristics announcement.
7. Solicit qualified candidates as determined by qualifications and characteristics.
8. Review all applications for completeness.
9. Evaluate qualifications of all applicants.
10. Conduct credit and limited criminal checks.
11. Provide all applications and supporting materials for board's review.
12. Assist board in evaluating candidates and selecting those to be interviewed.
13. Review interview procedures and meeting agenda for initial interviews.
14. Assist board in preparing questions for interviewing candidates.
15. Contact candidates and set up schedule for initial interviews.
16. Review questions and procedures for follow-up interviews.
17. Assist in developing procedures for follow-up interviews.
18. Arrange for candidates and spouses to attend follow-up interviews.
19. Assist board in developing a draft salary and benefit package for new superintendent/CEO.
20. Assist in arranging for the board's subcommittee to visit the home district of the candidate of interest.
21. Assist board's subcommittee in reporting to full board on visit to the home district of the candidate of interest.
22. Assist board in naming lone finalist.
23. Assist board in announcing selection of lone finalist to media.
24. Assist board in hiring new superintendent/CEO.
25. Confirm results of board's vote to hire new superintendent/CEO.
26. Assist board in announcing selection of new superintendent/CEO to media.
27. Award continuing education credit for board members' training in interview process.
28. Assist board and superintendent/CEO in making a successful transition.

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## Exhibit B: Acknowledgment of Confidentiality

### Marble Falls Independent School District

***This document should be signed by each member of the Board of Trustees and any other person who will have access to confidential information.***

We understand and agree that the information provided by Texas Association of School Boards, Inc. through Executive Search Services is confidential and I am obligated to protect the confidentiality of the information, whether the information is in an electronic format or paper format. I will ensure that the information is kept out of view from those who are not authorized to see the information, and I will only use the information in an appropriate manner as authorized by contract or law.

_____		_____
Date		
_____		_____
Signature		Printed Name
_____		_____
Signature		Printed Name
_____		_____
Signature		Printed Name
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Signature		Printed Name
_____		_____
Signature		Printed Name

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**FELONY CONVICTION NOTICE**

State of Texas Legislative Senate Bill No. 1, Section 44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

THIS NOTICE IS NOT REQUIRED OF A PUBLICLY-HELD CORPORATION

Please check off one box and sign the form in the appropriate space(s)

*I, the undersigned agent for the firm named below, certify that I have diligently reviewed the information concerning the notification of felony convictions and the information furnished below is true to the best of my knowledge and due diligence.*

- A. My firm is a publicly-held corporation, therefore, this reporting requirement is not applicable.
- B. No officer or member of the board of directors of the Texas Association of School Boards, Inc., a nonprofit corporation, has been convicted of a felony
- C. My firm is owned and operated by the following individual(s) who has/have been convicted of a felony.

Name of Felon(s): \_\_\_\_\_

Detail of Conviction(s): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Vendor's Name: Texas Association of School Boards, Inc., Executive Search Services

Authorized Company Official's Name (PRINTED): Butch Felkner

Signature of Company Official: *Butch Felkner*

Superintendent Search Firm

# CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80<sup>th</sup> Leg., Regular Session.

OFFICE USE ONLY

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

Date Received

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7<sup>th</sup> business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Governmental Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

1 Name of person who has a business relationship with local governmental entity.

Texas Association of School Boards, Inc. (TASB), a 501(c) (3) non-profit corporation.

2  Check this box if you are filing an update to a previously filed questionnaire.

NA

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7<sup>th</sup> business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

NA – TASB is not aware of any facts that require it to file a CIQ with the Marble Falls Independent School District under Section 176.006(a) of the Local Government Code.

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes  No  NA

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes  No  NA

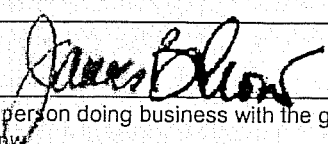
C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes  No  NA

D. Describe each employment or business relationship with the local government officer named in this section.

NA

4

  
Signature of person doing business with the governmental entity  
James B. Crew  
Executive Director  
Texas Association of School Boards, Inc.

May 25, 2010  
Date

**TEXAS ASSOCIATION OF SCHOOL BOARDS  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2009 and 2008**

## Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors  
Texas Association of School  
Boards and Subsidiary  
Austin, Texas

We have audited the accompanying consolidated statements of financial position of Texas Association of School Boards and Subsidiary as of August 31, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Texas Association of School Boards and Subsidiary as of August 31, 2009 and 2008, and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual entities, and is not a required part of the consolidated financial statements. The consolidating information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

*BKD, LLP*

January 22, 2010

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<u>August 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and cash equivalents (including interest bearing deposits of \$7,373,466 and \$7,822,818, respectively)	\$ 7,374,341	\$ 7,823,543
Accounts receivable, net of allowance of \$22,140 and \$15,000, respectively	1,188,143	1,503,607
Accounts receivable from affiliated organizations	860,311	1,016,345
Prepaid expenses and other assets	1,187,421	958,595
Investments	15,321,069	15,035,526
Fixed assets, net	27,090,519	26,782,981
Total Assets	\$ 53,021,804	\$ 53,120,597
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable (including book overdrafts of \$489,516 and \$655,807, respectively)	\$ 1,564,260	\$ 1,596,538
Accounts payable to affiliated organizations	195,320	307,968
Current portion of capital lease obligation and mortgage payable	613,683	579,772
Deferred revenue	2,518,004	2,564,812
Accrued liabilities	2,802,496	3,142,701
Capital lease obligation, less current portion	106,647	159,321
Mortgage payable, less current portion	14,101,449	14,662,459
Total Liabilities	21,901,859	23,013,571
Designated net assets	12,882,422	11,961,202
Undesignated net assets	18,237,523	18,145,824
Total Unrestricted Net Assets	31,119,945	30,107,026
Total Liabilities and Net Assets	\$ 53,021,804	\$ 53,120,597

The accompanying notes are an integral part  
of these financial statements.

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**

	<b>For the Years Ended</b>	
	<b>August 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>Revenue:</b>		
TASB membership dues	\$ 3,260,403	\$ 3,304,146
Risk Management Services	18,014,649	17,415,179
First Public	3,502,924	3,293,329
Business Services	7,667,608	6,924,029
Governance Services	8,674,771	8,867,252
District Services	915,459	1,030,596
Governmental Relations	216,879	166,228
Communications	295,037	314,970
Planning and Human Resources	625,370	609,284
Royalties	2,247,837	2,354,342
Supplemental Employee Benefits	709,098	508,043
Other	476,352	387,980
Total Revenue	46,606,387	45,175,378
<b>Expenses:</b>		
Employee compensation and benefits	31,107,427	30,007,084
Purchased and contract services	5,689,129	5,452,410
Supplies and materials	1,379,806	1,451,956
Other operating	4,968,112	4,922,933
Depreciation and amortization	2,235,900	1,991,594
Total Expenses	45,380,374	43,825,977
Change in unrestricted net assets from operations	1,226,013	1,349,401
<b>Non-Operating Activities:</b>		
Net investment income (loss)	(213,094)	288,068
Change in unrestricted net assets	1,012,919	1,637,469
Unrestricted net assets, beginning of period	30,107,026	28,469,557
Unrestricted net assets, end of period	\$ 31,119,945	\$ 30,107,026

The accompanying notes are an integral part  
of these financial statements.

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Years Ended	
	August 31,	
	2009	2008
Change in unrestricted net assets	\$ 1,012,919	\$ 1,637,469
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	2,235,900	1,991,594
Net investment (income) loss	213,094	(288,068)
Loss on fixed asset disposals	80,604	10,684
Changes in assets and liabilities:		
Decrease in accounts receivable	315,464	169,356
Decrease in accounts receivable from affiliated organizations	156,034	303,282
(Increase) decrease in prepaid expenses and other assets	(228,826)	92,794
Increase (decrease) in accounts payable	134,013	(876,532)
Increase (decrease) in accounts payable to affiliated organizations	(112,648)	307,968
Increase (decrease) in deferred revenue	(46,808)	150,458
Increase (decrease) in accrued liabilities	(340,205)	10,790
	3,419,541	3,509,795
Net cash provided by operating activities		
Cash flows from investing activities:		
Redemptions of investments	245,008	1,480,725
Purchases of investments	(1,549,194)	(2,785,944)
Interest and dividend income	805,549	1,330,619
Building improvements	(171,190)	(517,684)
Purchases of fixed assets	(2,466,812)	(1,675,718)
Sales of fixed assets	13,959	12,971
Net cash used in investing activities	(3,122,680)	(2,155,031)
Cash flows from financing activities:		
Increase (decrease) in book overdrafts	(166,291)	378,875
Principal payments on capital lease obligation	(48,771)	(45,155)
Principal payments on mortgage	(531,001)	(502,595)
Net cash used in financing activities	(746,063)	(168,875)
Net increase (decrease) in cash and cash equivalents	(449,202)	1,185,889
Cash and cash equivalents, beginning of year	7,823,543	6,637,654
Cash and cash equivalents, end of year	\$ 7,374,341	\$ 7,823,543

The accompanying notes are an integral part  
of these financial statements.

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1–NATURE OF OPERATIONS**

The Texas Association of School Boards, Inc., operating under the name Texas Association of School Boards (TASB), is a voluntary, not-for-profit organization created for the purpose of serving local school districts in Texas. A Delegate Assembly, comprised of representatives designated by active member boards each year, serves as TASB's general governing body and TASB is governed by a 44-member Board of Directors (Board).

Current services include, but are not limited to, legal advice and governmental relations, human resource and policy consulting, board training, executive searches, parent education, risk management and loss control, financial services, environmental and facility programs, Medicaid reimbursement, cooperative purchasing programs, workshops, electronic distribution of board meeting materials, and newsletters.

**NOTE 2–SUBSIDIARY**

TASB is the sole member of First Public, LLC (First Public). TASB formed this limited liability company pursuant to and in accordance with the Texas Limited Liability Company Act, as amended. First Public is registered with the Securities and Exchange Commission as a broker-dealer pursuant to the Securities Exchange Act of 1934, as amended. First Public is also a member of the Financial Industry Regulatory Authority and Municipal Securities Rulemaking Board. First Public provides financial services and products to school districts and other local governments.

**NOTE 3–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF CONSOLIDATION:**

The consolidated financial statements include the accounts of TASB and its wholly owned subsidiary, First Public. All intercompany transactions have been eliminated.

**BASIS OF ACCOUNTING:**

The accompanying financial statements have been prepared on the accrual basis. General-purpose external financial statements of not-for-profit organizations include a statement of financial position, a statement of activities, and a statement of cash flows.

Net assets of not-for-profit organizations are classified into three categories, based on the existence or absence of donor-imposed restrictions. The categories include permanently restricted, temporarily restricted, and unrestricted. TASB has reported all net assets as unrestricted at August 31, 2009 and 2008. Unrestricted net assets may be designated for specific purposes by action of the Board. The TASB Board designates a portion of TASB's net assets equal to its net investment in fixed assets unencumbered by long-term debt.

**REVENUE:**

- TASB membership dues are earned ratably over the annual membership period.

- Risk Management Services revenue relates to TASB's administration of the Texas Association of School Boards Risk Management Fund and is earned as expenses are incurred.
- First Public revenue relates to performance of administrative services for a public funds investment pool and other financial services and products offered to governmental entities. Administrative revenue is earned ratably over the related service period and other revenue is earned as services and products are delivered.
- Business Services revenue consists of contract fees from members for assistance with Medicaid reimbursements, environmental and facilities services, and other programs, which are earned as services are provided; annual service subscriptions, which are earned as the related subscription periods expire; and cooperative purchasing programs (BuyBoard® and energy products) administrative revenue, which is earned ratably over the related service period.
- Governance Services revenue is earned as the related subscription periods expire, as contract services are provided, and as events and conventions are held.
- District Services revenue relates to TASB's administration of the Texas Center for Educational Research, and is earned as expenses are incurred. In addition, District Services revenue consists of expense reimbursements from members earned as expenses are incurred, executive search services earned as searches are conducted, and parent education subscriptions, training, and materials earned as products and services are delivered by partnering region service centers.
- Governmental Relations revenue consists of seminar and publication revenue, and funding for an education research initiative. Communications revenue consists of publication and advertising revenue. Planning and Human Resources revenue consists of tuition for TASB's onsite childcare center. Revenue is earned as seminars are held, services and products are delivered, and expenses are incurred related to the research initiative.
- Royalty revenue from the use of TASB's name, logo, and endorsement is recognized ratably over the related agreement periods.
- Supplemental employee benefits revenue relates to TASB's administration of a cooperative contract for providers of supplemental and personal insurance lines marketed to TASB members, and is earned ratably over the related service period.
- Other revenue primarily consists of building lease income that is earned as facilities are provided and for fiscal year 2007-08, a reimbursement from TASB's retirement plan administrator.

#### ACCOUNTS RECEIVABLE:

TASB's estimated allowance for doubtful accounts as of August 31, 2009 and 2008 is \$22,140 and \$15,000, respectively. The estimated amounts have been determined based on historical trends in non-collectible and adjusted accounts receivable balances and analysis of specific accounts, with consideration given to revenue increases and decreases each year. In addition, consideration is given to the customers TASB serves as well as unique circumstances surrounding various TASB programs and the ability to collect such receivables.

#### USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### INVESTMENTS:

Investments include mutual funds carried at their market value. Unrealized holding gains and losses are reflected in the Statements of Activities as part of net investment income (loss). Market values are determined by quoted market prices at the statements of financial position dates. Net realized gains and losses resulting from sales of investment holdings are determined on the specific identification cost method.

#### FIXED ASSETS:

Fixed assets are stated at cost less accumulated depreciation and amortization. Fixed assets include expenditures for long lived assets in addition to costs incurred for internally developed software. Internally developed software is capitalized at the point project requirements are completed and approved, and capitalization ceases once software development is completed. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets: forty years for the buildings; generally five to seven years for furniture, equipment, and vehicles; and five years for purchased or internally developed computer software. TASB currently has a fixed asset under capital lease that is being amortized over a five-year estimated useful life, which is also the lease period. Expenditures for major property improvements are capitalized and amortized over seven to ten years, depending upon the improvement. In addition, related to tenant leases for office space, TASB currently has lease procurement and finish-out costs being amortized over the respective lease periods and for fiscal year 2007-08, accrued remaining finish-out expenses. Gains and losses on disposition of property and equipment are recognized in operations in the year of disposal.

TASB evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets.

#### ACCRUED LIABILITIES:

Accrued liabilities consist primarily of vacation earned but not taken by TASB employees. The liability and related expense fluctuates as employees take accrued vacation and earn additional vacation.

#### INCOME TAXES:

Based upon a determination letter obtained from the Internal Revenue Service, the organization claims exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been made in the financial statements. In accordance with Financial Accounting Standards Board (FASB) Staff Position No. FIN 48-3, TASB has elected to defer the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, until its fiscal year ended August 31, 2010. TASB has continued to account for any uncertain tax positions in accordance with literature that was authoritative

immediately prior to the effective date of FIN 48, such as FASB Statement No. 109, *Accounting for Income Taxes*, and FASB Statement No. 5, *Accounting for Contingencies*.

#### STATEMENTS OF CASH FLOWS:

For the purpose of the Statements of Cash Flows, all cash on deposit and short-term investments with original maturities of three months or less are considered to be cash equivalents. Cash and cash equivalents at August 31, 2009 and 2008 consist of cash and money market funds. The financial institutions holding TASB's cash accounts are participating in the Federal Deposit Insurance Corporation's (FDIC) Transaction Account Guarantee Program. Effective October 3, 2008, the FDIC's insurance limits increased to \$250,000. The increase in federally insured limits is currently set to expire December 31, 2013. At August 31, 2009, TASB's interest bearing cash accounts were fully insured.

#### SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 22, 2010, which is the date the financial statements were available to be issued.

#### NOTE 4—RELATED PARTY TRANSACTIONS

TASB has entered into various agreements with affiliated organizations. The affiliated organizations consist of the following:

- Texas Association of School Boards Risk Management Fund (the Fund)
- Texas Center for Educational Research (TCER)
- Lone Star Investment Pool (Lone Star)
- TASB Legal Assistance Fund (LAF)
- The Local Government Purchasing Cooperative (Purchasing Cooperative)
- TASB Energy Cooperative (Energy Cooperative)

#### TEXAS ASSOCIATION OF SCHOOL BOARDS RISK MANAGEMENT FUND:

The Fund was created in 1974 as a collective self-insurance program for Texas school districts. The Fund is an administrative agency of cooperating local governments organized under the Interlocal Cooperation Act (Texas Government Code, Chapter 791), and is tax exempt under Section 115 of the Internal Revenue Code. The Fund provides coverage and administrative services for workers' compensation, property/casualty, and unemployment compensation exposures of its members. The Fund is a separate legal entity with its own Board of Trustees. Pursuant to the Fund's bylaws, the TASB President appoints the members of the 19-member Fund Board. There is one common board member between TASB and the Fund.

TASB and the Fund entered into an administrative service agreement effective September 1, 2006. The agreement continues in effect for a period of 60 months, with an automatic renewal period of 60 months thereafter, until either party terminates it with 180 days written notice. Under the administrative service agreement, the Fund reimburses TASB for all direct costs, plus certain overhead, that TASB incurs in its role as the Fund's administrator. Direct costs plus overhead to be reimbursed are approved annually by both parties. Administrative revenue from the Fund to TASB totaled \$18,010,016 and \$17,416,332 for the years ended August 31, 2009 and 2008, respectively. Monthly administrative fees paid to TASB by the Fund are based on a projected annual budget, and

reconciled to actual at fiscal year-end. Due to an overpayment of administrative revenue during both fiscal years, \$195,320 and \$307,968 was owed to the Fund by TASB at August 31, 2009 and 2008, respectively. Revenue from the service agreement is included as part of Risk Management Services revenue in the Statements of Activities.

Under a sponsorship and license agreement, the Fund pays TASB a royalty for the use of TASB's intellectual intangible assets such as its name and logo in promoting, marketing, and offering risk management services. Royalties are calculated as a percentage of the Fund's annual contributions. Royalty fees earned under the agreement totaled \$1,568,858 and \$1,773,449 for the years ended August 31, 2009 and 2008, respectively. Of these amounts, \$131,762 and \$153,163 had not been received as of August 31, 2009 and 2008, respectively. A new sponsorship and license agreement has been entered into with an effective date of September 1, 2009.

#### TEXAS CENTER FOR EDUCATIONAL RESEARCH:

TCER is a 501(c)(3), Texas non-profit corporation, established to research, collect, and disseminate information in all areas of public education. Pursuant to TCER's bylaws, the TASB President is authorized to appoint five members of TCER's 15-member Board. TASB agreed to fund TCER in an amount not to exceed \$300,000 annually for each of the years ended August 31, 2009 and 2008. Funding from TASB to TCER totaled \$94,943 and \$40,447 for the years ended August 31, 2009 and 2008, respectively. TASB has agreed to fund TCER up to \$300,000 for its operations in fiscal year 2009-10.

TASB entered into an administrative service agreement with TCER effective through August 31, 2008. A new three-year administrative service agreement was entered into effective through August 31, 2011. Under the agreements, TCER reimburses TASB for all direct costs related to TCER, which are approved annually by both parties. Direct costs incurred by TASB on behalf of TCER for the years ended August 31, 2009 and 2008 were \$673,049 and \$809,193, respectively. Of these amounts, \$112,377 and \$101,390 was due to TASB at August 31, 2009 and 2008, respectively. Revenue from the service agreement is included as part of District Services revenue in the Statements of Activities. TASB is not reimbursed for certain indirect costs incurred in support of the activities of TCER. For the years ended August 31, 2009 and 2008, these costs totaled \$38,768 and \$119,356, respectively.

#### LONE STAR INVESTMENT POOL:

Lone Star was organized July 25, 1991 as a public funds investment pool in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. Lone Star is offered exclusively to Texas governmental entities and gives individual participants the ability to invest public funds jointly with other governmental entities. Income of Lone Star is treated as excludable from gross income under Section 115 of the Internal Revenue Code. Pursuant to Lone Star's bylaws, the TASB President is authorized to appoint six members of the 11-member Lone Star Board. There is one common board member between Lone Star and TASB.

TASB entered into a sponsorship and license agreement with Lone Star effective through August 31, 2008. A new three-year sponsorship and license agreement was entered into effective through August 31, 2011. Under the agreements, Lone Star pays TASB a royalty for the use of TASB's intellectual intangible assets such as its name and logo in promoting, marketing, and offering investment and cash management services. Royalties are paid monthly as a percentage of Lone

Star's daily asset value and are calculated at a stepped annual rate. Royalty fees earned under these agreements totaled \$145,716 and \$125,345 for the years ended August 31, 2009 and 2008, respectively. Of these amounts, \$10,780 and \$10,629 had not been received as of August 31, 2009 and 2008, respectively.

First Public and Lone Star entered into a three-year administrative service agreement, effective through August 31, 2009, to provide administrative and distribution services. For the years ended August 31, 2009 and 2008, administrative revenue earned by First Public totaled \$3,274,467 and \$3,176,060, respectively. Of these amounts, \$186,276 and \$239,010 had not been received as of August 31, 2009 and 2008, respectively. Revenue from the service agreement is included as part of First Public revenue in the Statements of Activities. A new five-year administrative service agreement has been entered into with an effective date of September 1, 2009.

#### LEGAL ASSISTANCE FUND:

LAF was formed for the purpose of assisting participating Texas school districts by advocating on issues or causes that generally affect, or will affect, the public schools of the State of Texas. LAF is tax exempt under Section 501(c)(4) of the Internal Revenue code. LAF has a seven-member Board and is affiliated with TASB through three common board members.

Under an administrative service agreement, TASB agreed to administer the activities of LAF through August 31, 2010. Both parties annually approve the fee paid to TASB for administrative services under the agreement. Administrative revenue earned by TASB totaled \$113,014 and \$99,499 for the years ended August 31, 2009 and 2008, respectively. Of these amounts, \$28,253 and \$24,875 was owed to TASB at August 31, 2009 and 2008, respectively. Revenue from the service agreement is included as part of Governance Services revenue in the Statements of Activities. TASB is not reimbursed for certain indirect costs incurred in support of the activities of LAF. For the years ended August 31, 2009 and 2008, these costs totaled \$3,503 and \$17,454, respectively.

#### LOCAL GOVERNMENT PURCHASING COOPERATIVE:

The Purchasing Cooperative was formed in January 1998 in accordance with Chapter 791 of the Texas Government Code, for the purpose of facilitating compliance with the State of Texas procurement requirements while providing participants with economies of scale in purchasing goods and services. Income of the Purchasing Cooperative is treated as excludable from gross income under Section 115 of the Internal Revenue Code.

TASB and the Purchasing Cooperative entered into an administrative service agreement effective September 1, 2006. The original agreement has been superseded by a new agreement with an effective date of April 1, 2008, and continues until terminated by either party with 180 days written notice. Fees for services under the agreement are based on total annual cooperative purchasing revenue received by the Purchasing Cooperative, and are calculated on a graduated scale. Administrative revenue earned under the agreement totaled \$4,230,515 and \$3,665,105 for the years ended August 31, 2009 and 2008, respectively. Of these amounts, \$291,798 and \$331,087 was owed to TASB at August 31, 2009 and 2008, respectively. Under the same agreement, the Purchasing Cooperative authorized TASB to receive revenue related to the electricity aggregation program directly from the electricity provider, which totaled \$326,267 for the year ended August 31, 2008. Of that amount, \$1,296 was outstanding at August 31, 2008. Effective April 1, 2008, the Purchasing Cooperative assigned all surviving right, title, and interest pertaining to the electricity aggregation

program to the TASB Energy Cooperative. Revenue from the service agreement is included as part of Business Services revenue in the Statements of Activities.

TASB entered into a three-year sponsorship and license agreement with the Purchasing Cooperative effective through August 31, 2009. This agreement was superseded by a new three-year agreement effective September 1, 2007 through August 31, 2010. The agreement grants the Purchasing Cooperative the right to use TASB's intellectual intangible assets such as its name and logo in promoting, marketing, and offering cooperative purchasing products and services. Royalties are based on total annual cooperative purchasing revenue received by the Purchasing Cooperative, and are calculated on a graduated scale. Royalties fees earned under the agreement totaled \$400,461 and \$379,684 for the years ended August 31, 2009 and 2008, respectively. Of these amounts, \$18,855 and \$18,233 was owed to TASB at August 31, 2009 and 2008, respectively. Pursuant to the sponsorship and licensing agreement, the TASB President appoints the members of the 11-member Purchasing Cooperative Board.

#### TASB ENERGY COOPERATIVE:

The Energy Cooperative was established in January 2008 as an administrative agency of cooperating governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and other law, including but not limited to, Section 271.101 *et seq.* of the Texas Local Government Code. The Energy Cooperative functions for the purpose of facilitating compliance with the State of Texas procurement requirements while providing participants with economies of scale in purchasing energy. Income of the Energy Cooperative is treated as excludable from gross income under Section 115 of the Internal Revenue Code. Pursuant to the Energy Cooperative's bylaws, the TASB President appoints the members of the five-member Energy Cooperative Board. There is one common board member between TASB and the Energy Cooperative.

The Energy Cooperative entered into a service agreement with TASB dated February 1, 2008. The agreement was amended during the 2009 fiscal year with a retroactive effective date of April 1, 2008, primarily in consideration of the Energy Cooperative's new fuel program. The agreement, including amendment, continues until terminated by either party with 180 days written notice. Under the agreement, TASB provides administration of the day-to-day operations of the Energy Cooperative. For the electricity program, fees for services under the agreement are based on kilowatt hours of electricity used by participants in the program. For the fuel program, fees for services under the agreement are based on fuel purchased by participants in the program. Administrative fees earned under the agreement totaled \$546,668 for the year ended August 31, 2009 and \$246,584 for the five months ended August 31, 2008. Of these amounts, \$52,419 and \$111,884 was owed to TASB at August 31, 2009 and 2008, respectively. Revenue from the service agreement is included as part of Business Services revenue in the Statements of Activities. In October 2009, the agreement was again amended with an effective date of October 15, 2009, to reflect a revision in administrative fees to be paid to TASB related to the Energy Cooperative's fuel program.

The Energy Cooperative entered into a sponsorship and license agreement with TASB dated February 1, 2008 and effective through August 31, 2011. The agreement grants the Energy Cooperative the right to use of TASB's intellectual intangible assets such as its name and logo in promoting, marketing, and offering the Energy Cooperative's electricity program. Royalty fees earned by TASB are based on kilowatt hours of electricity used by participants in the program. Royalty fees under the agreement totaled \$102,437 for the year ended August 31, 2009 and \$46,234

for the five months ended August 31, 2008. Of these amounts, \$9,765 and \$20,978 was owed to TASB at August 31, 2009 and 2008, respectively. The original agreement has been superseded by a new three-year agreement, effective October 15, 2009, in consideration of royalties to be paid to TASB on the Energy Cooperative's fuel program.

#### **NOTE 5--INVESTMENTS**

For the years ended August 31, 2009 and 2008, TASB's investments consist of domestic and foreign debt and equity mutual funds, as outlined in TASB's investment policy, with aggregate market values of \$15,321,069 and \$15,035,526, respectively. Net investment income (loss) shown in the Statements of Activities consists of the following:

	August 31,	
	2009	2008
Interest income	\$ 107,878	\$ 342,758
Dividend income	697,671	987,861
Realized gain on liquidation of investments	534	171,978
Change in unrealized gains and losses on investments	(1,019,177)	(1,214,529)
Net investment income (loss)	<u>\$ (213,094)</u>	<u>\$ 288,068</u>

#### **NOTE 6--FIXED ASSETS**

Fixed assets consist of the following:

	August 31,	
	2009	2008
Land	\$ 2,045,650	\$ 2,045,650
Buildings	20,370,653	20,289,646
Building improvements	949,705	942,071
Furniture and equipment	2,041,875	1,986,377
Computer hardware	2,238,751	2,194,704
Computer software	1,168,805	612,658
Internally developed software	6,216,005	4,808,092
Assets under capital lease (Note 8)	254,400	254,400
	<u>35,285,844</u>	<u>33,133,598</u>
Less – accumulated depreciation and amortization	(8,195,325)	(6,350,617)
Total fixed assets, net	<u>\$ 27,090,519</u>	<u>\$ 26,782,981</u>

#### **NOTE 7--DEFERRED REVENUE**

TASB receives payments for membership fees and certain annual service subscriptions in advance of the period in which those services are performed. Deferred revenue consists of the following:

	August 31,	
	2009	2008
Membership dues	\$ 1,069,981	\$ 1,120,442
Annual convention	662,225	742,222
Policy Service subscriptions	376,542	365,079
HR Services subscriptions	82,200	68,474
Other services	327,056	268,595
Total deferred revenue	<u>\$ 2,518,004</u>	<u>\$ 2,564,812</u>

## NOTE 8—LEASES

TASB entered into a capital lease for certain equipment, commencing in June 2007 and having a term of five years. The equipment has been recorded at \$254,400, the net present value of future minimum lease payments, and is included in Fixed Assets, Net, as of August 31, 2009 and 2008. Amortization expense on the leased asset totaled \$50,880 for the years ended August 31, 2009 and 2008. Accumulated amortization on the leased asset totaled \$110,240 and \$59,360 for the years ended August 31, 2009 and 2008, respectively.

TASB leases additional office locations for specific business purposes, storage facilities, and various types of office equipment. These leases are on a month-to-month basis, with the exception of a lease that expires January 2013 and one that expires January 2014. Current monthly lease payments range from \$150 to \$3,090. Rental expense recorded by TASB under all operating leases for the years ended August 31, 2009 and 2008 totaled \$118,948 and \$123,324, respectively.

A schedule of future minimum lease payments under all leases follows:

August 31,	Operating Leases	Capital Lease
2010	\$ 51,480	\$ 113,820
2011	51,480	113,820
2012	51,480	93,029
2013	26,760	-0-
2014	4,800	-0-
Future minimum lease payments	<u>\$ 186,000</u>	320,669
Less amounts representing interest and executory costs		<u>(161,349)</u>
Present value of minimum lease payments		159,320
Less current portion of obligation under capital lease		<u>(52,673)</u>
Long-term lease obligation		<u>\$ 106,647</u>

TASB leases approximately 11 percent of the total square footage of its headquarters to unrelated tenants. Tenant leases have been signed with varying leasing options as to renewals, escalation amounts, and expense pass-throughs. Future minimum rent payments from tenants for non-cancelable operating leases with expiration dates through September 2018 are as follows:

August 31,	
2010	\$ 269,912
2011	278,391
2012	259,206
2013	204,655
2014	94,342
2015 and beyond	427,799
	<u>\$1,534,305</u>

## NOTE 9 – MORTGAGE PAYABLE:

TASB has a promissory note, the proceeds of which were used for the purchase of TASB's headquarters. The note is secured by the real property and improvements, associated fixtures and equipment, and applicable personal property located on the premises. The note term is 20 years, maturing in November 2025, and bears an interest rate of 5.51 percent. During the years ended

August 31, 2009 and 2008, interest expense incurred totaled \$821,445 and \$849,978, respectively. During the years ended August 31, 2009 and 2008, principal payments made on the note totaled \$531,001 and \$502,595, respectively. The note balance is to be paid in the following years:

August 31,	Due
2010	\$ 561,010
2011	592,714
2012	626,210
2013	661,599
2014	698,988
2015 and beyond	11,521,938
Total outstanding	14,662,459
Less current portion of mortgage	(561,010)
Long-term portion of mortgage	<u>\$14,101,449</u>

### **NOTE 10—RETIREMENT PLAN**

TASB maintains a 403(b) retirement plan, including a vesting schedule, covering all full-time and part-time employees who have met a one-year eligibility requirement. Contributions, which are discretionary and determined annually by TASB, are based upon a percentage of each participant's compensation. TASB's plan also provides for matching contributions based on years of service. Prior to January 1, 2008, employees were eligible for matching contributions after reaching 10 years of service. Modifications to the plan were made effective January 1, 2008, to reduce eligibility for matching contributions to those with years of service in excess of five. Total contributions for the years ended August 31, 2009 and 2008, were \$1,922,481 and \$1,734,206, respectively.

### **NOTE 11—FUNCTIONAL EXPENSES**

A breakdown of program and management costs follows:

	For the years ended	
	August 31,	
	2009	2008
Risk Management	\$ 16,358,463	\$ 15,828,964
Membership Services	4,393,486	4,232,475
Policy Service	2,146,382	2,183,782
First Public	2,214,688	1,862,055
HR Services	1,637,918	1,464,536
Board Training, Planning Services, Publications	1,991,075	1,758,503
Purchasing Cooperative	1,898,405	1,395,834
Partnered Programs	852,985	806,816
Medicaid	821,104	1,019,692
OnSite	1,391,719	1,226,539
Legal Services	428,062	433,528
Other Program Costs (see below)	3,877,227	3,740,438
Management and General Costs	7,368,860	7,872,815
Total Expenses	<u>\$ 45,380,374</u>	<u>\$ 43,825,977</u>

Other program costs include administration and support of TCER, executive search services, BoardBook®, and parent education.

#### **NOTE 12—CONCENTRATIONS OF CREDIT RISK**

Certain financial instruments potentially subject TASB to concentrations of credit risk. These financial instruments consist primarily of cash and cash equivalents, investments, and receivables. Management monitors balances in all cash accounts, and all balances for the years ended August 31, 2009 and 2008 are within FDIC coverage limits. Regarding investments, TASB's investment policy limits the amount of credit exposure by requiring diversification among a number of asset classes. Concentrations of credit risk with respect to receivables are limited due to a large customer base and receivables from affiliated organizations.

#### **NOTE 13 – CONTINGENCIES**

TASB is involved in litigation in the normal course of providing various administrative services. Management expects that the ultimate resolution of such matters will not have a significant adverse affect on TASB's financial statements.

#### **NOTE 14 – FAIR VALUE OF ASSETS**

Effective September 1, 2008, TASB adopted Statement of Financial Accounting Standards No. 157 (FAS 157), *Fair Value Measurements*. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS 157 has been applied prospectively as of the beginning of the year.

FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- **Level 1** - Quoted prices in active markets for identical assets or liabilities.
- **Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- **Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy:

Investments – The carrying amount approximates fair value. All share valued cash holdings have been classified as level 1. Inputs used to determine fair value are quoted prices in active markets for identical securities. There are no securities classified as level 2 or Level 3.

Supplemental Schedules

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**At August 31, 2009**

	<b>TASB</b>	<b>First Public, LLC</b>	<b>Elimination Entries</b>	<b>Consolidated Total</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 5,380,154	\$ 1,994,187	\$ 0	\$ 7,374,341
Accounts receivable	1,106,210	81,933	0	1,188,143
Accounts receivable from affiliated organizations	1,301,571	186,276	(627,536)	860,311
Prepaid expenses and other assets	1,155,287	32,134	0	1,187,421
Investments	15,321,069	0	0	15,321,069
Investment - First Public, LLC	1,617,900	0	(1,617,900)	0
Fixed assets, net	27,090,519	0	0	27,090,519
Total Assets	\$ 52,972,710	\$ 2,294,530	\$ (2,245,436)	\$ 53,021,804
 <b><u>LIABILITIES AND NET ASSETS</u></b>				
Accounts payable	\$ 1,515,166	\$ 49,094	\$ 0	\$ 1,564,260
Accounts payable to affiliated organizations	195,320	627,536	(627,536)	195,320
Current portion of capital lease obligation and mortgage payable	613,683	0	0	613,683
Deferred revenue	2,518,004	0	0	2,518,004
Accrued liabilities	2,802,496	0	0	2,802,496
Capital lease obligation, less current portion	106,647	0	0	106,647
Mortgage payable, less current portion	14,101,449	0	0	14,101,449
Total Liabilities	21,852,765	676,630	(627,536)	21,901,859
Capital contribution - TASB	0	500,000	(500,000)	0
Retained earnings	0	1,117,900	(1,117,900)	0
Designated net assets	12,882,422	0	0	12,882,422
Undesignated net assets	18,237,523	0	0	18,237,523
Total Unrestricted Net Assets	31,119,945	1,617,900	(1,617,900)	31,119,945
Total Liabilities and Net Assets	\$ 52,972,710	\$ 2,294,530	\$ (2,245,436)	\$ 53,021,804

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**For the Year Ended August 31, 2009**

	<u>TASB</u>	<u>First Public, LLC</u>	<u>Elimination Entries</u>	<u>Consolidated Total</u>
Revenue:				
TASB membership dues	\$ 3,260,403	\$ 0	\$ 0	\$ 3,260,403
Risk Management Services	18,014,649	0	0	18,014,649
First Public	1,897,643	3,502,924	(1,897,643)	3,502,924
Business Services	7,667,608	0	0	7,667,608
Governance Services	8,674,771	0	0	8,674,771
District Services	915,459	0	0	915,459
Governmental Relations	216,879	0	0	216,879
Communications	295,037	0	0	295,037
Planning and Human Resources	625,370	0	0	625,370
Royalties and Program Investment	3,620,169	0	(1,372,332)	2,247,837
Supplemental Employee Benefits	709,098	0	0	709,098
Other	476,352	0	0	476,352
Total Revenue	<u>46,373,438</u>	<u>3,502,924</u>	<u>(3,269,975)</u>	<u>46,606,387</u>
Expenses:				
Employee compensation and benefits	31,107,427	0	0	31,107,427
Purchased and contract services	5,523,356	2,063,416	(1,897,643)	5,689,129
Supplies and materials	1,353,581	26,225	0	1,379,806
Other operating	4,903,447	64,665	0	4,968,112
Depreciation and amortization	2,235,900	0	0	2,235,900
Total Expenses	<u>45,123,711</u>	<u>2,154,306</u>	<u>(1,897,643)</u>	<u>45,380,374</u>
Change in unrestricted net assets from operations	1,249,727	1,348,618	(1,372,332)	1,226,013
Non-Operating Activities:				
Net investment income (loss)	(236,808)	23,714	0	(213,094)
Change in unrestricted net assets	1,012,919	1,372,332	(1,372,332)	1,012,919
Capital distributions	0	(1,225,000)	1,225,000	0
Unrestricted net assets, beginning of period	30,107,026	1,470,568	(1,470,568)	30,107,026
Unrestricted net assets, end of period	<u>\$ 31,119,945</u>	<u>\$ 1,617,900</u>	<u>\$ (1,617,900)</u>	<u>\$ 31,119,945</u>

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**  
**COMPARISON OF CONSOLIDATED BUDGET-TO-ACTUAL**  
**REVENUE AND EXPENSES**

**For the Year Ended August 31, 2009**

	<u>Actual</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Unaudited</u>	
				<u>Actual (Under) Over Original Budget</u>	<u>Actual (Under) Over Amended Budget</u>
Revenue:					
TASB membership dues	\$ 3,260,403	\$ 3,386,750	\$ 3,259,750	\$ (126,347)	\$ 653
Risk Management Services:					
Risk Management administrative fee	18,010,016	17,995,199	18,202,836	14,817	(192,820)
Other Risk Management	4,633	2,500	2,500	2,133	2,133
	<u>18,014,649</u>	<u>17,997,699</u>	<u>18,205,336</u>	<u>16,950</u>	<u>(190,687)</u>
First Public	<u>3,502,924</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>2,924</u>	<u>2,924</u>
Business Services:					
OnSite Environmental Services	2,066,423	1,952,000	1,960,000	114,423	106,423
Medicaid Services	1,267,758	1,000,000	1,200,000	267,758	67,758
BuyBoard	4,333,427	4,000,000	4,250,000	333,427	83,427
	<u>7,667,608</u>	<u>6,952,000</u>	<u>7,410,000</u>	<u>715,608</u>	<u>257,608</u>
Governance Services:					
Legal Services	456,229	430,934	428,734	25,295	27,495
HR Services	2,380,890	2,592,418	2,390,418	(211,528)	(9,528)
Policy Service	2,999,841	2,932,729	2,952,624	67,112	47,217
BoardBook	527,012	500,308	514,358	26,704	12,654
Leadership Team Services	2,274,345	2,583,193	2,490,238	(308,848)	(215,893)
Other Governance Services	36,454	2,830	9,830	33,624	26,624
	<u>8,674,771</u>	<u>9,042,412</u>	<u>8,786,202</u>	<u>(367,641)</u>	<u>(111,431)</u>
District Services:					
Family Frameworks	47,760	30,000	30,000	17,760	17,760
Executive Search Services	194,650	180,150	180,150	14,500	14,500
TCER	673,049	798,957	715,148	(125,908)	(42,099)
	<u>915,459</u>	<u>1,009,107</u>	<u>925,298</u>	<u>(93,648)</u>	<u>(9,839)</u>
Governmental Relations	216,879	194,008	230,624	22,871	(13,745)
Communications	295,037	252,725	249,777	42,312	45,260
Planning and Human Resources	625,370	703,807	618,794	(78,437)	6,576
Royalties	2,247,837	2,225,000	2,175,000	22,837	72,837
Supplemental Employee Benefits	709,098	650,300	565,985	58,798	143,113

**TEXAS ASSOCIATION OF SCHOOL BOARDS**  
**AND SUBSIDIARY**

**COMPARISON OF CONSOLIDATED BUDGET-TO-ACTUAL (continued)**  
**REVENUE AND EXPENSES**

**For the Year Ended August 31, 2009**

	<u>Actual</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Unaudited</u>	
				<u>Actual (Under) Over Original Budget</u>	<u>Actual (Under) Over Amended Budget</u>
Other	<u>476,352</u>	<u>523,018</u>	<u>475,832</u>	<u>(46,666)</u>	<u>520</u>
Total revenue	<u>46,606,387</u>	<u>46,436,826</u>	<u>46,402,598</u>	<u>169,561</u>	<u>203,789</u>
<b>Expenses:</b>					
Employee compensation and benefits	<u>31,107,427</u>	<u>31,616,484</u>	<u>31,555,331</u>	<u>(509,057)</u>	<u>(447,904)</u>
<b>Purchased and contract services:</b>					
Consultants	668,158	665,710	687,970	2,448	(19,812)
Speakers	165,322	200,700	200,650	(35,378)	(35,328)
Audits and accounting	94,520	81,600	81,380	12,920	13,140
DP systems support/software	1,100,933	1,095,028	1,019,563	5,905	81,370
Outside counsel	184,401	86,350	95,676	98,051	88,725
Professional development	240,076	283,136	290,752	(43,060)	(50,676)
Property taxes	628,238	664,260	664,260	(36,022)	(36,022)
Utilities	400,305	356,021	412,666	44,284	(12,361)
Equipment rental	66,984	81,269	80,332	(14,285)	(13,348)
Telephone	231,924	270,514	256,386	(38,590)	(24,462)
Maintenance and repairs	847,366	612,662	713,075	234,704	134,291
Organizational dues	93,578	103,216	101,416	(9,638)	(7,838)
Royalties	154,900	118,294	151,794	36,606	3,106
Other	812,424	973,867	925,797	(161,443)	(113,373)
	<u>5,689,129</u>	<u>5,592,627</u>	<u>5,681,717</u>	<u>96,502</u>	<u>7,412</u>
<b>Supplies and materials:</b>					
General office supplies	98,161	111,205	111,506	(13,044)	(13,345)
Child care supplies	69,080	66,300	68,200	2,780	880
Data processing supplies	106,441	73,139	79,089	33,302	27,352
Printing/AV supplies	290,001	225,713	234,722	64,288	55,279
Publications/subscriptions	187,873	189,545	220,597	(1,672)	(32,724)
Non-capitalized equipment	346,865	349,566	375,960	(2,701)	(29,095)
Postage/freight	281,385	329,362	312,808	(47,977)	(31,423)
	<u>1,379,806</u>	<u>1,344,830</u>	<u>1,402,882</u>	<u>34,976</u>	<u>(23,076)</u>

**TEXAS ASSOCIATION OF SCHOOL BOARDS  
AND SUBSIDIARY**  
**COMPARISON OF CONSOLIDATED BUDGET-TO-ACTUAL (continued)**  
**REVENUE AND EXPENSES**

**For the Year Ended August 31, 2009**

	<u>Actual</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Unaudited</u>	
				<u>Actual (Under) Over Original Budget</u>	<u>Actual (Under) Over Amended Budget</u>
Other operating:					
Travel	1,700,618	1,619,812	1,721,615	80,806	(20,997)
Insurance premiums	303,170	345,711	325,389	(42,541)	(22,219)
Other advertising/marketing	155,788	218,805	241,068	(63,017)	(85,280)
Meetings	1,525,176	1,136,850	1,254,906	388,326	270,270
Interest	836,953	839,314	839,314	(2,361)	(2,361)
Contributions	109,493	155,550	187,550	(46,057)	(78,057)
Miscellaneous	336,914	365,307	313,892	(28,393)	23,022
	<u>4,968,112</u>	<u>4,681,349</u>	<u>4,883,734</u>	<u>286,763</u>	<u>84,378</u>
Depreciation and amortization	<u>2,235,900</u>	<u>2,334,280</u>	<u>2,227,184</u>	<u>(98,380)</u>	<u>8,716</u>
Total Expenses	<u>45,380,374</u>	<u>45,569,570</u>	<u>45,750,848</u>	<u>(189,196)</u>	<u>(370,474)</u>
Change in unrestricted net assets from operations	1,226,013	867,256	651,750	358,757	574,263
Non-Operating Activities:					
Net investment income (loss)	<u>(213,094)</u>	<u>1,050,000</u>	<u>(2,095,000)</u>	<u>(1,263,094)</u>	<u>1,881,906</u>
Change in unrestricted net assets	<u>\$ 1,012,919</u>	<u>\$ 1,917,256</u>	<u>\$ (1,443,250)</u>	<u>\$ (904,337)</u>	<u>\$ 2,456,169</u>

# Executive Search Services CONSULTANTS



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## Benjamin Canada



joined TASB as associate executive director in August 2002. He has worked in education for 42 years, serving as teacher, principal, assistant superintendent, and superintendent. He has served as superintendent of public schools in Oregon, Georgia, and Mississippi, and assistant superintendent for business and operations services in Arizona. He is a past chair of the National Association of Superintendent Searchers.

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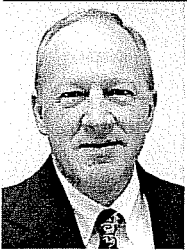
## Ralph Cantu



was the 1994 Superintendent of the Year; served 34 years in Mission CISD, including a period as superintendent; and was an executive committee member of the Texas Association of School Administrators (TASA). Cantu joined TASB in 1995 as a field services representative. He works with Region 1 and part of Regions 2 and 20. In May 1999, Cantu was nominated by Governor George W. Bush and approved by the Texas Senate to serve on the nine-member State Pension Review Board. He resides in Mission.

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## Butch Felkner



joined Executive Search Services as director in January 2007 and is a member of the National Association of Superintendent Searchers. He has six years' experience as a superintendent in Huntington ISD and served Texas public schools for 24 years in other capacities in Huntington, Mineral Wells, Pflugerville, and Waco area ISDs. He received his bachelor of arts degree from Southern Nazarene University in 1975 and his master's of education degree from Texas Woman's University in 1986. He resides in the Austin area.

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## Kim Krause



has been with TASB for 22 years. She has marketed TASB's products and services in 10 regional service areas, working with more than 400 Texas school districts. She currently serves Regions 9, 11, and 14. She is a native of Georgetown, graduated from Georgetown High School, and holds a bachelor of business administration in marketing from Tarleton State University. She resides in Stephenville.

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## Joe Dan Lee



served 32 years in public education as a teacher, principal, and superintendent. For 23 of those years, he served as a superintendent in Redwater, Pine Tree, and Georgetown ISDs. He was the 1998 Region 8 Superintendent of the Year and finalist for the 2002 Region 7 Superintendent of the Year. Lee has bachelor and master degrees in education from Texas A&M University-Commerce. He also completed 54 postgraduate hours in educational administration to earn mid-management and superintendent certification. As a TASB field services representative, Lee works with Regions 12 and 13, and part of Region 20. He resides in Georgetown.

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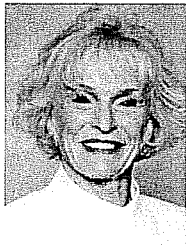
## Judith Loreda



joined the Texas Higher Education Coordinating Board in February 2008 as the assistant commissioner of the Division of P-16 Initiatives. With a career that spans more than 37 years, her extensive experience in education includes curriculum development, student and program assessment, program accountability, and strategic planning. She holds a bachelor of arts in communication disorders, a master of arts in speech pathology, and a master of arts in education from Our Lady of the Lake University, and a doctorate in educational administration from The University of Texas at Austin.

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## Kathee Lupton



served on the Shallowater ISD Board of Trustees for 10 years and as a member of the South Plains School Board Association for six years. She was a member of the TASB Property/Casualty Board of Directors for two years and has worked as field services representative in Region 17 for 20 years. She currently serves Regions 16 and 17. Lupton lives in Lubbock.

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## Ernesto Martinez Jr.



served 29 years in public education as teacher, principal, and superintendent. He served as a school superintendent at Fort Davis, Sonora, Alpine, and Presidio ISDs. He is a former member of the TASB Risk Management Fund Board and joined TASB as a field services representative in 2003, working with Regions 15, 18, and 19, and part of Region 20. He resides in Alpine.



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## Mayo Neyland



joined TASB in 1992 as a consultant and coordinator in Leadership Team Services. He transferred to Executive Search Services in 2005. His background includes 10 years in educational institutions as a professor, program director, and department chair. He has advanced degrees in education from New Mexico State and Georgia

State universities. Neyland also has extensive experience in organizational development, personnel management, and operational planning. He resides in Pflugerville.

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## Mike Rains



is a former teacher, coach, and school trustee. He joined TASB in 1987 as a District Services consultant, calling on 139 districts in ESC Regions 2, 3, 4, 15, and 20. From 1989 through 1994, he was the director of the Texas Learning Technology Group (TLTG) Product Management Division. He also has served as director of the Technology Solutions

and Facility Planning divisions and assistant division director for TASB Risk Management Sales and Marketing. Rains is currently division director of TASB Field Services.

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## Jerry B. Roberts



of Kilgore has long been associated with Kilgore ISD. He was school superintendent from 1993 to 2007 and previously served as principal and assistant principal at Kilgore High School, as well as assistant middle school principal, counselor, and teacher. He served New Boston ISD as elementary principal and Leverett's Chapel ISD as super-

intendent. Roberts has master degrees in education, guidance and counseling, and psychology from Texas A&M-Texarkana. He was voted Alumni of the Year in the Education Department of that school and was twice selected as a finalist for Superintendent of the Year. As a TASB field services representative, Roberts works with Region 7 and part of Region 8. He resides in Kilgore.

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## Severita Sanchez



has worked in education for 35 years, serving as teacher, principal, executive director, and interim superintendent. She attended Laredo State University where she received a bachelor of science in 1980 and a master of science in 1982. In 1985, she earned a master of arts in educational administration from Texas A&I University. She continued

her studies at Texas A&M University, receiving a doctorate in education administration and human resource development in May 2008. She resides in Laredo.

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## Bob Smith



served as a school superintendent for 22 years, equally divided between Montgomery and Gilmer ISDs. He previously taught in Van and Goliad ISDs and was a high school principal in Lovelady ISD. Smith served with the U.S. Army Military Police in Korea in the early 1970s. He received a master's of education at Stephen F. Austin University

and a doctor of education in educational administration at Texas A&M. He recently has served as adjunct lecturer at Sam Houston State University, participating on a team that designed the university program for superintendent certification.

Currently, he serves as TASB field services representative for Regions 4, 5, and 6. Smith lives in Montgomery.

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## William Smith



served in Greenville ISD (GISD) for 35 years, including five as its superintendent/CEO. He also served as GISD assistant superintendent for administration and assistant superintendent for operations.

In addition, he was a principal, assistant principal, and counselor/teacher. He has won many local education and civic awards,

including Most Worthy Citizen, PTA Lion Heart Award, Texas Life PTA Member Award, and GISD Key Communicator Award. Smith is field services representative for Region 10 and part of Region 8. He resides in Greenville.

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## Craig Stockstill



served as a school superintendent for 23 years; 15 of those years he spent in two South Texas school districts, Marion and Floresville. His career as an educator spans three decades across the state of Texas. Stockstill is a former executive board member of the Texas Association of School Administrators and the Texas Association

of Community Schools. He comes to us from ESC Region 20, where he worked as a field services agent. Stockstill works with districts in Regions 2, 3, and 20. He resides in New Braunfels.

***Horn, Smith, Wood, & Preston***  
***Educational Consultants, LLC***  
***“Your guide on the side for finding the leader you need.”***

***Dr. John D. Horn***  
972-965-7501  
[jhorn@9plus.net](mailto:jhorn@9plus.net)

***Dr. James F. Smith***  
512-762-6158  
[jfs12155@msn.com](mailto:jfs12155@msn.com)

***Dr. J. Bruce Wood***  
972-978-8661  
[jbwood47@yahoo.com](mailto:jbwood47@yahoo.com)

***Dr. Jenny Preston***  
214-563-7016  
[jlp12155@yahoo.com](mailto:jlp12155@yahoo.com)

May 26, 2010

Mr. Mike Fletcher  
Members of the Board of Trustees  
Marble Falls ISD  
1800 Colt Circle  
Marble Falls, Texas 78654

Dear Mr. Fletcher:

We greatly appreciate the opportunity to provide this proposal to assist the Marble Falls ISD Board of Trustees with conducting a search to find a new superintendent. As you may be aware, we were the search firm that assisted in the district when Dr. Ryder Warren was hired in

We would consider it an honor to again be the District's partner in this important endeavor. All four of us at Horn, Smith, Wood & Preston are in constant interaction with school leaders all over the state. Because of our extensive contacts and assessment capabilities we believe we can help the board to find exactly the right leader you need.

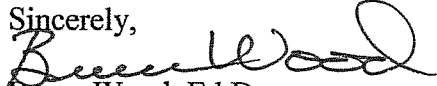
We have an excellent track record of success in managing the selection processes and in presenting excellent candidates who meet the preferred profiles. The following pages contain a basic description of our services, a proposed contract, a list of references, and information about us. Please let us know if additional information is needed. We look forward to having the opportunity of meeting with the board to discuss our qualifications and services further.

We have assisted the following districts over the past 3 years in their superintendent searches. The superintendents for these districts are currently employed with the same district. We are providing a listing of the main contact person for these particular searches. The complete listing for all other districts we have assisted are located in the last section of our proposal.

Little Elm ISD, Mr. Curtis Savage, President, 214-336-7126  
Midlothian ISD, Mr. Phil Seay, President, 214-325-5271  
Richardson ISD, Ms. Kim Quirk President, 214-532-3771  
Lampasas ISD, Mr. James Briggs, President, 512-734-1838  
Whitesboro ISD, Dr. David Bertino, President, 903-564-5175  
Granbury ISD, Mr. Charlie Cloud, President, 817-821-1022  
Salado ISD, Mr. Jerry Kelly, President, 254-947-5479  
Bullard ISD, Mr. Michael Roy, President, 903-894-6630  
Forney ISD, Mr. Keith Bell, President, 214-676-0274  
Terrell ISD, Ms. Dena Risinger, President, 972-741-9082

We urge you to contact any of these districts, as well as the other districts listed, to learn more of how we work with school districts in assisting them in finding the best leader possible for their respective districts.

Sincerely,



Bruce Wood, Ed.D.

# *Horn, Smith, Wood, & Preston*

*Educational Consultants, LLC*

*“Your guide on the side for finding the leader you need.”*

**Dr. John D. Horn**

6459 FM 1563  
Commerce, TX 75428  
972-965-7501  
[jhorn@9plus.net](mailto:jhorn@9plus.net)

**Dr. James F. Smith**

12155 FM 2728  
Terrell, Texas 75161  
512-762-6158  
[jfs12155@msn.com](mailto:jfs12155@msn.com)

**Dr. J. Bruce Wood**

314 Laurel Trail  
Terrell, TX 75160  
972-978-8661  
[jbwood47@yahoo.com](mailto:jbwood47@yahoo.com)

**Dr. Jenny Preston**

1255 FM 2728  
Terrell, TX 75161  
214-563-7016  
[jlp12155@yahoo.com](mailto:jlp12155@yahoo.com)

## **Background**

*Horn, Smith, Wood & Associates* was formed in 2000 by John Horn, James Smith, and Bruce Wood. Jenny Preston joined the firm upon retirement from the Allen ISD in November, 2007. These four school leaders have over 70 years of combined experience as school superintendents in

school districts that range in size from 500 to 45,000 students. The last districts of service at the time of retirements were Mesquite, Alief, Kaufman, and Allen. Brief biographies are attached.

## **Purpose and Track Record**

We organized to assist school boards in conducting superintendent searches. We believed that if boards could make more compatible selections the tenure of service could be longer. Having an outstanding superintendent for more extended periods has a high impact on:

- **Continuity of direction,**
- **Operational efficiencies, and**

- **Capacities to sustain improvements.**

These factors are highly correlated with higher levels of performance by students and stronger and more supportive communities. We have designed processes that bring clarity to what a district needs. In the six years we have been conducting searches over 90% of the 30 superintendents selected are still serving in those districts.

## **Building the Search Foundation**

### **Clarity about Values and Direction**

Creating clarity is the first and most important task. If a board is clear about its beliefs, direction, what it aspires to, and how it is moving toward the future it wants to create, then it is our job as consultants to be sure we clearly understand that. If a board is not clear and cannot easily articulate the beliefs, goals, and standards it expects, then our first task is to help the board to get clear.

Understanding how the board acts on those beliefs, how it functions as a team, respects the diverse perspectives of individual members, and the degree to which its corporate commitment to the common good prevails is critical to us as consultants and to the candidates.

## **Clarity about District Characteristics and Challenges**

It is important that the board and the consultants are clear about the unique characteristics of the district, its strengths, goals/plans, culture, structure, and successes as well as the challenges perceived for both the short term and long term. Our profile work includes exploration of those areas by the board, the staff and the community.

We help the board to prioritize the profile characteristics it needs in a superintendent to lead according to the beliefs and direction specified and the challenges facing the district. Then we take those priorities to the staff and to the community to obtain opinions and recommendations on what the board has proposed. The resulting profiles are then brought back to the board for refinement and consensus so that more intense recruitment can begin.

## **Process Details and Task Management**

We believe that a well managed search process that is based on the above foundations will achieve the two results we assume the board desires:

- **To find a superintendent who has the moral and intellectual leadership capacities and skills that match what the district needs and who will commit to the district.**
- **To enhance the relationships within the board, between the board and the staff as well as with the community during the process.**

## **Technical Expertise**

From developing the time line and general qualifications, to training for the interviews, candidate assessment and final employment contract terms, we offer a comprehensive set of services. We handle all the paper work and communications unless the board directs otherwise. Our consulting proposal contains more detailed descriptions and the contract terms clearly define the actions and mutual obligations.

## **Recruitment and Assessment Capabilities**

Through our service and consulting work we have a high visibility in the state. This keeps us in contact with many present and future leaders. We conduct the Aspiring Superintendents Academy for TASA and are involved in facilitating a Visioning Institute that involves 35 superintendents who represent over one million Texas students. We also conduct school board training for districts and leadership development activities with many of the Education Service Centers. We also maintain connections to several national educational associations and leaders such as the Schlechty Center for Leadership in School Reform, the Center for Creative Leadership, and the American Association of School Administrators.

The descriptions of the processes that follow and the proposed contract incorporate the principles stated in this introduction and provide additional details. An interview would provide you an opportunity to get a feel for how we would relate to and interact with you, your staff, and community.

# **Proposal to Conduct Superintendent Search for the**

## **Marble Falls Independent School District**

### ***Introduction***

The employment of the best search consultant firm to assist the Board of Trustees in finding a new superintendent is a critical first step in finding your district's new superintendent. When we are employed by a board to conduct a search, we consider that search to be a partnership endeavor.

As your search consultants we will bring:

- Extensive experience working with school boards with a thorough understanding of the roles of the Board and the search consultant.
- Access to specialized guidance services.
- Uniquely enhanced recruitment capabilities.
- Proven task management proficiencies.

The search is a cooperative effort of the Board and the consultants with certain functions done together, while the consultants carry some out, and the Board completes others. Both those done jointly and separately are approached within the guidelines and expectations set by the Board.

It is the responsibility of the consultant to advise the Board of the best practice and to act as an agent for the Board in all aspects of the search.

We have categorized the major tasks, phases, or stages into five (5) groupings. We refer to them as groupings because some of the activities are clearly sequenced while others are going on simultaneously in a well-managed search.

These categories are:

1. Preparing for the Search - Needs Assessment and Profile Development
2. Recruitment Activities
3. Evaluation of Candidates
4. Details of the Final Selection and Employment
5. Presentation and Orientation of New Superintendent

### ***Preparing for the Search – Needs Assessment and Profile Development Activities***

Tasks:

- Train the Board in the search process.
- Interview Board members, community groups, and staff to obtain their ideas and suggestions for establishing criteria for the new superintendent.

- Develop the profile of characteristics for the new superintendent using information obtained from those interviews.

These activities are the critical foundation of successful recruitment efforts. Most profiles look very similar. However, someone has to determine what the district's most pressing present challenges are, as well as the more long-term potential barriers to school district success. The chances are very great that the Board as a whole has a good "feel" for what some of those major challenges are. As your search consultants we will help you reduce those ideas to writing so we can succeed in finding the superintendent who has the skills and abilities to provide the educational leadership to address the needs of your District.

### ***Recruitment Activities***

Tasks:

- Advertise the vacancy on the Internet and in appropriate association publications.
- Mail application information.
- Receive and process the applications.
- Acknowledge all applications, advising applicants of the Board's timeline for the selection process.

This is where the "rubber meets the road" and where we believe we have something unique to offer. We are in meetings, on task forces, executive committees of educational organizations, etc. We know who most of the highly respected superintendents are in Texas, as well as many of the outstanding assistant superintendents in the state. We are also involved with the Center for Creative Leadership in North Carolina and heavily involved with several major universities. We are involved in leadership development training, board training and other professional work.

We will use the standard nomination, solicitation of nominees and referral methods in addition to calling on the extra networks to which we have access.

### ***Evaluation of Candidates***

Tasks:

- Train the Board in the interview process including developing a consensus and appropriate state and federal laws on interviewing procedures.
- Assist the Board in developing questions to be asked in the interviews.
- Schedule candidate interviews for the Board.
- Prepare interview packets for the members of the Board. These packets will include a schedule for the interview, questions to be asked by Board members, important legal information to follow during the interview and other relevant documents.
- Identify candidates who meet the profile characteristics.
- Perform preliminary reference checks on recommended candidates. (Note: Final Reference checks of finalist(s) are the responsibility of the Board.)

This category of activities includes all matters relating to the receipt and acknowledgement of applications, checking of references, and background inquiries. We have a matrix that we will use to rank the candidates in terms of the profile requirements and other standard qualifications common to successful school superintendents. This matrix and other knowledge we will have about candidates will be utilized in our preliminary screening. We will conduct screening interviews of the most promising of the applicants. We will bring to the Board a list of qualified applicants for their review. The Board will determine the number of candidates that it desires to interview itself and we will provide copies of all pertinent applications and related materials on those candidates to each member of the Board. In addition, the Board will have access to all of the application files for their review.

The Board interviews are in this category as well. We will assist you in preparing for the interviews, interview schedules, and travel arrangements for candidates.

It should be noted from our terminology that we use the term “recommended candidates” and reserve use of the term “finalist” for the person or persons the board has agreed on at least in a preliminary way. In fact, our experience shows that we can get better candidates if several finalists are not named since their identities have to be released once they are listed as finalists. Nevertheless, we can do whatever meets the board and community expectations.

### ***Details of Final Selection and Employment***

Tasks:

- Moderate the Board’s deliberations on selection of the superintendent after all interviews have been conducted. (Optional at no additional fee).
- Work with District’s lawyer to develop the contract and negotiate with the finalist.
- Notify unsuccessful candidates.
- Assist District staff with the development of press releases for announcement of the finalists and ultimately the new superintendent.
- Provide additional assistance requested by the Board.

Your selection will likely be under contract, so we will help the candidate ascertain release dates. Salary and benefits and contract terms will be important. We have the comparative data that you will need. The legal requirements regarding posting of notice for making your final decision are available and we will provide you those requirements.

### ***Orientation and Presentation of New Superintendent***

We have some recommendations regarding how to go about getting your new superintendent up to speed quickly and properly introducing the person to the staff and the community. We would also recommend a time for the new superintendent and you as a Board to develop as a team. These are some things you will need to work out, but we would offer some guidance if desired. We too, have a great interest and stake in the success and wisdom of your decision.

***Cost of Search***

Our fee for the services described in this proposal will be **\$8,500.** plus expenses to conduct a Texas search with some limited contacts in other states.

**PROPOSED SCHEDULE FOR SUPERINTENDENT SEARCH  
Marble Falls ISD**

(This 120 day-schedule could be compressed if needed)

Planning meeting with Board	Determine actual calendar and profile development
Profile meetings	One to two days, includes meeting with the Board to finalize characteristics of new superintendent
Application deadline	A minimum of 6 weeks after application forms made available to candidates
Recommended candidates selected	One week to 10 days following deadline for applications
Board interviews selected candidates	Interviews should begin a minimum 5-7 days after selection of recommended candidates
Board conducts second interviews	Should occur as soon as possible, if needed
Board deliberates on finalist	The Board can begin deliberations following interview of last recommended candidate or following second interviews
Announcement of finalist	Immediately following selection by the Board
Board votes on superintendent	The vote must occur a minimum of 21 days after the publication of the name of the finalist

# **SUPERINTENDENT SEARCH SERVICES CONTRACT TERMS**

## **I. PARTIES**

The first party to this contract is *Horn, Smith, Wood & Preston, Educational Consultants, LLC* (Search Consultants) whose business address is 12155 FM 2728, Terrell, Texas 75161.

The second party is the Marble Falls ISD whose business mailing address is 1800 Colt Circle, Marble Falls, Texas 78654.

## **II. AUTHORITY TO ENTER CONTRACT**

The person whose signature is affixed below has full authority to sign this contract on behalf of Horn, Smith, Wood & Preston. Authorization to enter this contract on behalf of the Marble Falls ISD was provided by resolution adopted by the School Board in a Board meeting held on \_\_\_\_\_.

## **III. GENERAL MEMORANDUM OF UNDERSTANDING (MOU)**

This contract constitutes the full obligations of both parties. By written agreement executed by both parties this contract may be amended or additional services may be contracted. The Search Consultants shall provide the School Board with qualified candidates whom the School Board may interview and make a selection.

The School Board retains all its rights to employ or not to employ a candidate recommended by the Search Consultants but all applications and inquiries of interest from candidates shall be referred to the Search Consultants for screening and processing.

## **IV. DESCRIPTION OF SERVICES AND OBLIGATIONS**

1. The primary recruitment efforts in this search shall be focused in Texas. The cost of typical in-state advertising shall be born by the District including the costs of mailing, faxing, or e-mailing to selected school leaders in the state. The Search Consultants shall make national contacts and solicitations utilizing their network of contacts in other states. National advertising in such national educational media as Education Week will be done if the School Board directs with all such costs to be paid by the District.

2. The Search Consultants shall process all applications and associated correspondence as well as the candidate assessment tasks as a part of the basic service fee.
3. Candidate profile development shall include at least one meeting with the School Board to capture the Board's recommended or preferred characteristics desired in the candidates to be considered. At the School Board's discretion and direction, the Search Consultants shall conduct sessions with others such as representative administrative and teaching staffs, the leaders of allied organizations (PTA, Booster Clubs, etc., as well as selected community members. All costs of the meetings described above are included in the basic service and fee structure.
4. The Search Consultants shall provide a list of 3-5 recommended candidates for the School Board to interview. Additional candidates shall be provided if the Board requests.
5. The Search Consultants shall provide periodic status reports as requested on the progress of the search and shall attend a session for reviewing the applications of those recommended for interview.
6. The Search Consultants shall provide assistance with media relations as needed and otherwise provide guidance in responding to media inquiries. Sensitivity to the wishes of candidates shall be respected at all times by both parties.
7. The School Board shall meet in a timely manner to review applications and to interview applicants. The Marble Falls ISD superintendent or interim superintendent and his/her clerical staff shall prepare and post all meeting notices in accordance with the open meetings law as directed by the School Board's designee and the Search Consultants. The responsibility for determining the need for special Board meetings rests with the School Board. The Search Consultants shall help prepare School Board members for the interview process.
8. The search shall be conducted observing all laws and regulations regarding employment of professional personnel in Texas school districts.
9. The Search Consultants shall provide guidance and suggestions for developing employment contract terms with the new superintendent subject to the advice of the attorney for the District and the superintendent's attorney.

10. The School Board may contact the Search Consultants for information and clarification as needed.
11. All applications and resumes shall be considered the property of the Search Consultants and the candidates' names and information contained therein may be released only with the consent of the Search Consultants.

## V. LIMITATIONS

1. The Search Consultants shall act as agents of the School Board only in the regard to the search for a superintendent and may not speak on behalf of or otherwise obligate the School Board in any way. The Search Consultants shall act as intermediaries with the candidates until a finalist is agreed on.
2. The School Board may not hold the Search Consultants liable as long as the search tasks are completed according to the terms of this contract and to applicable state and federal laws. The Search Consultants hereby represent that appropriate sections of the fair credit reporting act will be complied with if applicable. The Search Consultants will provide information from a third party to conduct an initial criminal background check. The District may provide additional checks if it desires.
3. The fee for the complete basic services described in this contract shall be **\$8,500.00**. The costs for advertising, printing, postage, materials, supplies, and travel associated with this search shall be considered reimbursable expenses. Reimbursable expenses and any other services required by the School Board shall be on an actual costs basis or as described in this contract.

## VI. PAYMENT

The School Board shall pay for the services rendered as described in this contract when the search process has been completed and a new superintendent has been hired.

## VII. DURATION OF CONTRACT

It is expected that a thorough and competent search process can be completed in three to four months. This contract shall continue in force until the School Board has employed a candidate processed by the Search Consultants or until the contract is terminated by mutual consent of both parties.

**VIII. TERMINATION OF CONTRACT**

In the event that the School Board is not satisfied with the services provided, they may terminate this contract without any financial obligations to *Horn, Smith, Wood & Preston*.

**IX. SIGNATURES**

*Horn, Smith, Wood & Preston* and the Board of Trustees of the Marble Falls ISD as evidenced by their authorized signatures as affixed below hereby enter into this contract.

For *Horn, Smith, Wood & Preston, Educational Consultants, LLC*

\_\_\_\_\_

Date \_\_\_\_\_

For the Board of Trustees of the Marble Falls ISD

\_\_\_\_\_

Date \_\_\_\_\_

## Client References for Superintendent Searches

The number of searches taken on by *Horn, Smith Wood & Preston* at one time is limited. Following is a list of school districts for which the firm has conducted superintendent searches.

Mr. John Garcia, President  
Board of Trustees, **Allen** ISD  
601 East Main Street  
Allen, Texas 75013  
Work: 972- 477-0950

Mr. Frank Proctor, President  
Board of Trustees **LaMarque** ISD  
P.O. Box 7  
La Marque, TX 77568  
409-938-4251

Mr. Ken Lawrence, President  
Board of Trustees, **Pottsboro** ISD  
P.O. Box 555  
Pottsboro, Texas 75076  
Work: 903-868-9434

Mr. Jim Jacobs, President  
Board of Trustees, **Forney** ISD  
600 S. Bois d'Arc  
Forney, TX 75126  
Home: 972-564-3336

Mrs. Wanda Gammons, President  
Board of Trustees, **Prosper** ISD  
P.O. Box 100  
Prosper, Texas 75078  
Home: 972-548-8074

Mr. David McMahan, President  
Board of Trustees, **Princeton** ISD  
321 Panther Parkway  
Princeton, TX 75407  
Home: 972-736-3204

Dr. David Bertino, President  
Board of Trustees, **Whitesboro** ISD(2<sup>nd</sup> search)  
115 4<sup>th</sup> Street  
Whitesboro, Texas 76273  
Home: 902-564-5175

Ms. Mary Hendrix, President  
Board of Trustees, **Commerce** ISD  
P.O. Box 1251  
Commerce, TX 75429-6025  
Home: 903-886-7421

Mr. Jack Christiana, President  
Board of Trustees, **Lamar CISD**  
3911 Avenue I  
Rosenburg, TX 77471-3960  
281-341-3120

Mr. Milton Walker, President  
Board of Trustees, **Cleburne** ISD  
103 South Walnut  
Cleburne, TX 76031-5422  
Home: 817-558-2705

Mr. Bob Apetz, Chairman  
Search Committee, **Keller** ISD  
350 Keller Parkway  
Keller, TX 76248  
817-352-0119

Mr. John Roundtree, President  
Board of Trustees, **Wolfe City** ISD  
553 W. Dallas  
Wolfe City, TX 75496  
903-496-7905

Mr. Eddy Daniel, President  
Board of Trustees, **Farmersville** ISD  
P.O. Box 472  
Farmersville, Texas 75442  
972-782-8255

Mr. K. Paul Cash, President  
Board of Trustees, **Sunnyvale** ISD  
417 East Tripp Road  
Sunnyvale, Texas 75182  
972-226-0638

Mr. Tex York, President  
Board of Trustees, **Crandall** ISD  
P. O. Box 128  
Crandall, Texas 78615-0217  
972-427-8004

Mr. Richey Gieske, President  
Board of Trustees, **Marble Falls** ISD  
2001 Broadway  
Marble Falls, Texas 78654-4803  
803-693-4357

Connie Deckard, President  
Board of Trustees, **S&S** ISD  
P. O. Box 837  
Sadler, TX 76264-0837  
903-564-6051

Mr. Ed Wilkie, President  
Board of Trustees, **Eagle Mt.-Saginaw** ISD  
1200 Old Decatur Road  
Fort Worth, TX 76179  
817-232-0880

Phil Seay, President  
Board of Trustees, **Midlothian** ISD

Mr. Mark Ulrich, President  
Board of Trustees, **La Grange** ISD

100 Walter Stephenson Road  
Midlothian, Texas 76065  
214-325-5271

Mr. Bobby Summers, President  
Board of Trustees, **Royse City** ISD  
P.O. Box 479  
Royse City, Texas 75189  
214-335-9343

Mr. Gene Horn, President  
Board of Trustees, **La Porte** ISD  
1002 San Jacinto Street  
La Porte, TX 77571  
281-723-9867

Mr. Rick McMinn, President  
Board of Trustees, **Marshall** ISD  
1305 E. Pine Crest  
Marshall, TX 75670  
903-927-8701

Mr. Jim Bost, President  
Board of Trustees, **Bridgeport** ISD  
2107 15<sup>th</sup> Street  
Bridgeport, TX 76426  
940-683-5124

Mr. Lanny Layman, President  
Board of Trustees, **San Angelo** ISD  
1621 University Ave.  
San Angelo, TX 76904  
325-944-2241

Dr. Debbie Cantrell, President  
Board of Trustees, **Argyle** ISD  
800 Eagle Drive  
Argyle, TX 76226-1928  
940-464-7241

Ms. Dena Risinger, President  
Board of Trustees, **Terrell** ISD  
306 N. Frances  
Terrell, TX 75160  
972-563-4250

Michael Roy, President  
Board of Trustees, **Bullard** ISD  
1426 B S. Houston  
Bullard, Texas 75754  
903-894-6630

**National Staff Development Council**  
Directors' positions  
Stephanie Hirsch, Executive Director  
17330 Preston Road, #106D  
Dallas, Texas 75252 972-421-0900

P.O. Box 100  
La Grange, TX 78945  
979-968-7000

Mr. Mark Chaloupka  
Board of Trustees, **College Station** ISD  
1812 Welsh Ave  
College Station, TX 77840  
979-764-5400

Mr. James Briggs, President  
Board of Trustees, **Lampasas** ISD (2<sup>nd</sup> search)  
207 West 8<sup>th</sup>  
Lampasas, TX 76550  
512-734-1838

Ms. Victoria Sublette, President  
Board of Trustees, **Allen** ISD (2<sup>nd</sup> search)  
P. O. Box 13  
Allen, TX 75103  
972-727-7115

Mr. Kyle Beal, President  
Board of Trustees, **Van Alstyne** ISD  
P.O. Box 518  
Van Alstyne, TX 75495  
903-816-3155

Mr. Keith Bell, President  
Board of Trustees, **Forney** ISD (2<sup>nd</sup> search)  
600 South Bois d'Arc  
Forney, TX 75126  
214-676-0274

Ms. Debbie Aikin, President  
Board of Trustees, **Commerce** ISD (2<sup>nd</sup> search)  
P.O. Box 1251  
Commerce, TX 75429  
903-886-3339

Jerry Kelly, President  
Board of Trustees, **Salado** ISD  
601 N. Main St.  
Salado, Texas 76571  
254-947-5479

Charlie Cloud, President  
**Granbury** ISD Board of Trustees  
600 W. Pearl St.  
Granbury, Texas 76048  
817-821-1022

Curtis Strange, President, Board of Trustees  
**Little Elm** ISD  
500 Lobo Lane  
Little Elm, Texas 75068  
972-292-1847