



AUSTIN INDEPENDENT SCHOOL DISTRICT
Special Projects and Intergovernmental Relations

Memorandum

To: District Administrators

From: Dave Duty

Subject: District Policy Update 74

Date: October 5, 2005

Below is a recap of the changes that were made to local District policies, regulations and exhibits as a result of Board approval on September 26, 2005 as a result of TASB Policy Update 74. These changes have already been integrated into our policies on-line.

Additional information on these changes will be made in the next few weeks on an as needed basis in targeted communications.

Please share this information with you staff as is appropriate.

CAA (LOCAL) FISCAL MANAGEMENT GOALS AND OBJECTIVES
FINANCIAL ETHICS

This new policy has been developed to address the District's obligation to ensure that financial activities involving District resources are performed ethically and with integrity and diligence. This obligation stems from the congressional response to several high-profile cases involving large national corporations, a response that in turn prompted the auditing profession to enhance the scope of financial audits and TEA to harmonize its Financial Accountability System Resource Guide (FASRG).

In passing the Sarbanes-Oxley Act in mid-2002, Congress imposed on private sector companies and their auditors an obligation to improve the accuracy and reliability of financial reporting required by law and to improve internal financial controls and procedures. The American Institute of Certified Public Accountants subsequently promulgated AICPA Statement of Auditing Standards 99: Consideration of Fraud in a Financial Statement Audit. TEA opted to extend certain aspects of "SAS 99" to school districts within FASRG Update 12, effective immediately and available at <http://www.tea.state.tx.us/school.finance/audit/resguide12/new/new.html>.

The enclosed policy expresses the Board’s expectation for integrity and diligence in managing the District’s financial resources, references the many policies affecting financial management, and describes the duty of those having financial responsibility to deter and monitor for fraud or financial impropriety and to report any knowledge of such activities up the chain of command. The policy further lays out the steps to be taken in a fraud investigation and, should fraud be discovered, offers appropriate administrative practice that limits the possibility of subsequent like activity.

DBA (LOCAL) EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CREDENTIALS AND RECORDS

Education Code provisions governing grants for master teachers in reading, math, science, and technology require districts to specify by policy how partial months of service by teachers eligible for the grants are to be reported to TEA and, if the state does not fund all the grants, how the District will determine who receives them.

We have drafted the enclosed (LOCAL) policy to address both requirements:

- Regarding months of service, the policy specifies that a teacher working as a master teacher 11 or more days per month—approximately half of the working days in a usual month—will be credited with a full month’s service.
- Regarding TEA’s awarding fewer grants than the District applied for, the policy language acknowledges that teachers in their second or third year of eligibility will receive stipends as provided by law and, should additional funds be provided, gives preference for the additional stipends to other eligible master teachers with longer experience in the subject area and, if experience is equal, to eligible teachers having longer seniority with the District (counting from the date last employed, if there has been a break in service).

DBD (LOCAL) EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CONFLICT OF INTEREST

Examination by Policy and Legal Services of policies related to financial integrity prompts us to recommend your adoption of the enclosed policy that applies to all employees, including the Superintendent, and which has the power to affect—by recommendation or decision—the firms or individuals with whom the District does business.

The provisions at DISCLOSURE mirror the disclosure requirement for Trustees, in that the employee, too, would be obligated to notify the District when such a potential conflict of interest exists. Aware of this possible conflict, the District could then ensure that the business decision was based upon the best interests of the District.

Text on ENDORSEMENTS and SALES is intended to ensure that the name of the District is not construed to support the sale of particular goods or services.

DFE (LOCAL) TERMINATION OF CONTRACT
REDUCTION IN FORCE

A decision of the Commissioner of Education in *Amerson v. Houston ISD* prompts the following additions to this policy at CONSIDERATION FOR AVAILABLE POSITIONS, on page 3:

- The policy now requires an employee subject to a RIF to identify and apply for other available positions for which he or she is qualified. In the past, the District bore the responsibility of considering the employee for all open positions for which the employee might be qualified.
- Although the policy now requires an employee subject to RIF to apply for open positions, the RIF employee does not stand on an equal footing with other applicants. Instead, in accordance with the Commissioner’s decision in *Amerson*, the RIF employee **must** be offered the open position over outside applicants if the employee satisfies the District’s objective hiring criteria for the position. The policy clarifies that the RIF employee enjoys this advantage only until the date of a requested RIF hearing. The policy further clarifies that, in the context of a RIF, if more than one **internal** applicant applies for an open position, the District will select the most qualified internal applicant.

On page 2, we have lightly edited the language for clarity and, on page 3, have refined two of the criteria for selecting RIF employees, as follows:

- Certification now includes “highly qualified status.”
- Seniority is now defined as the length of service “as measured from the employee’s most recent date of hire.”

On page 1 at APPLICABILITY, the District’s addition of “or nonrenewal” has been retained, as before.

EL (LOCAL) CHARTER CAMPUS OR PROGRAM

The introductory section of the policy has been revised to reference, rather than recite, information that is found in EL(LEGAL). The legal requirements referenced are specific to the kind of charter:

- Charters created with parental and teacher petition
- Charters created by District contract without petition
- Cooperative program charters and charters created with parental and teacher petition at two or more campuses

We have also made minor editorial adjustments throughout this policy to encompass all three types where appropriate.

Your locally developed provisions have been retained, unaltered, except for changing “workday” to “District business day” and in the first section moving your locally developed text into a new stand-alone paragraph.