

Explanatory Notes

TASB Localized Policy Manual Update 74

District: Keller ISD

A25 (LEGAL) CROSS INDEX

The cross-index to your policy manual has been updated to reflect new terms and policy connections introduced by state and federal legislation enacted during the past two years.

AC (LEGAL) GEOGRAPHIC BOUNDARIES

At CONSOLIDATION, a pointer to Education Code requirements for consolidation of districts has been added.

BBA (LEGAL) BOARD MEMBERS
ELIGIBILITY/QUALIFICATIONS

This policy previously melded statutory provisions regarding a candidate's eligibility to hold office and his or her status as a qualified (eligible, registered) voter. This melding obscured the reality that a candidate for the local board need not be a registered voter at the time he or she files for election. The candidate, however, must be a registered voter at the time of the election.

BBC (LEGAL) BOARD MEMBERS
VACANCIES AND REMOVAL FROM OFFICE

At PRECLEARANCE REQUIRED, a federal provision has been added that makes any discretionary elections called by the Board subject to federal Voting Rights Act preclearance requirements.

TEMPORARY REPLACEMENT OF BOARD MEMBER ON MILITARY ACTIVE DUTY, on page 3, lays out provisions from a Texas constitutional amendment approved by voters on September 13, 2003. Under terms of this amendment, the Board may appoint a temporary replacement for a Board member called up for military service of more than 30 days' duration. The temporary Board member is granted all the powers and duties of the replaced Board member and serves until the replaced Board member returns from active duty or until the replaced Board member's term expires, whichever occurs first.

BBG (LEGAL) BOARD MEMBERS
COMPENSATION AND EXPENSES

At MEMBERS' EXPENSES, the language has been revised to more closely reflect statute and the relevant 1973 Attorney General's Opinion H-133.

BEC (LEGAL) BOARD MEETINGS
CLOSED MEETINGS

At PROCEDURES FOR CLOSED MEETINGS, on page 3, an obsolete Education Code citation has been removed. Also, a provision requiring the Board to reconvene from closed meeting into open meeting prior to adjourning has been removed as this provision is not specifically stated in statute. However, since the Open Meetings Act disallows Board action in closed session, the act of adjourning the meeting should occur in open session.

BQB (LEGAL) PLANNING AND DECISION-MAKING PROCESS
CAMPUS-LEVEL

At COMMITTEES, on page 1, and at PRINCIPAL PERFORMANCE INCENTIVES, on page 3, the language has been refined to more closely track statute with the addition of statutory references.

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C (LEGAL) BUSINESS AND SUPPORT SERVICES

To accommodate provisions regarding ethical financial management, we have created a new policy code at CAA—FISCAL MANAGEMENT GOALS AND OBJECTIVES: FINANCIAL ETHICS. The Table of Contents for the C section has been updated to reflect that addition.

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.

Please carefully review the enclosed language and advise your Policy Consultant/Analyst of any revisions your Board deems appropriate.

CCA (LEGAL) LOCAL REVENUE SOURCES BOND ISSUES

At CALL FOR ELECTION, on page 2, appears Election Code language amended in 2003 that now requires a call for a bond election to be made at least 62 days—rather than 45 days as previously specified for such elections in the Election Code—preceding the election date.

At PRECLEARANCE REQUIRED, a federal provision has been added—also referenced in BBB(LEGAL)—that makes any discretionary elections called by the Board subject to federal Voting Rights Act preclearance requirements.

CCG (LEGAL) LOCAL REVENUE SOURCES AD VALOREM TAXES

At CALL FOR ELECTION, on page 3, appears Election Code language amended in 2003 that requires a call for a rollback election to be made at least 62 days preceding the election date. Prior to SB 1215 (from the 78th Regular Session), the Tax Code governed the timing of tax proposition elections and specified that the call had to occur at least 30 days prior to the election. SB 1215 identified the Election Code as the controlling statute for such elections. If a rollback election is triggered, it must occur between 30 and 90 days after rate adoption and on a uniform election date if the date falls within that time period. Districts facing a rollback

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election should also bear in mind that such elections cannot be held on a date 30 days before or after the November uniform date.

At PRECLEARANCE REQUIRED, a federal provision has been added that makes any discretionary elections called by the Board subject to federal Voting Rights Act preclearance requirements.

Other revisions are as follows:

- At PERSONS 65 AND OVER OR DISABLED PERSONS, on page 7, language has been added extending the over-65 homestead exemption to disabled homeowners. This change was enacted by HB 217 from the 78th Regular Session and became effective January 1, 2004.
- At COLLECTION AND DEPOSIT OF TAX INCREMENTS, on page 8, an exception pertaining to a city "of more than 230,000 that borders on Mexico" was repealed during the 78th Regular Session and has been removed from this policy. The exception mandated—rather than made permissive—that such cities pay to a tax increment fund any tax increment produced from reinvestment zone properties.

CE (LEGAL) ANNUAL OPERATING BUDGET

A new section—FAILURE TO COMPLY WITH BUDGET REQUIREMENTS—has been added on page 3. This Education Code provision states that a Board member who votes to approve an expenditure of school funds in excess of what has been appropriated in the District's approved or amended budget commits a misdemeanor. This requirement essentially imposes on Trustees an obligation to ascertain that expenditures presented for their approval comport with the budget.

CE (LOCAL) ANNUAL OPERATING BUDGET

In light of the renewed emphasis on financial oversight underpinning the Sarbanes-Oxley Act, SAS 99, and TEA's Update 12 to the Financial Accountability System Resource Guide (FASRG), it is important that the Board and administration reexamine information that the Board will need to competently perform that role.

The FASRG devotes a chapter—2.10.4—to the Board's responsibility to monitor the budget. The FASRG text—found at <http://www.tea.state.tx.us/school.finance/audit/resguide12/budget/bud-39.html>—speaks to the need for the Board to receive periodic financial statements showing expenditures and encumbrances and recommends the business office provide annualized budget summaries projecting the impact of current expenditures on year-end results.

The updated FASRG text reads as follows:

The level and frequency of management review of the budget will vary by districts. In most districts, the superintendent (or designee) reviewed budget-to-actual comparisons monthly. Reporting periodic budget/actual results to the school board is customary in most districts. This reporting relationship should not be interpreted to mean that the board manages budget implementation. That responsibility is ultimately the superintendent's; however school board members should be given periodic updates on budget results and be informed of significant budgetary issues. This flow of information keeps the board apprised of issues which may affect the district's performance and prepares them for the next budget cycle.

The nature and timing of the report is central to the Board's fulfilling its oversight responsibility. While it is critical that the Board and administration have a clear understanding of reporting expectations, it is not imperative that this be defined in policy. Your current (LOCAL) policy does not directly address this reporting function. Policy Service files include several CE(LOCAL) policies that express these expectations in policy; if you would like a sampling of those policies to clarify expectations, please contact your Policy Consultant/Analyst.

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CHG (LEGAL) PURCHASING AND ACQUISITION
REAL PROPERTY AND IMPROVEMENTS

A section addressing the District's power of EMINENT DOMAIN has been added to page 2 of this policy. The Education Code provision cited is essentially a summary statement; more detailed provisions regarding condemnation proceedings may be found in Section 11.155.

CPC (LEGAL) OFFICE MANAGEMENT
RECORDS MANAGEMENT PROGRAM

At FEDERAL INVESTIGATIONS AND BANKRUPTCY, on page 3, language has been added from the Sarbanes-Oxley Public Company Accounting Reform and Investor Protection Act of 2002. The provision—specifying criminal penalties for alteration, falsification, or destruction of a record associated with a federal investigation or bankruptcy case—applies to all individuals, whether functioning within a private sector company or not.

CR (LEGAL) INSURANCE AND ANNUITIES MANAGEMENT

DESIGNATED BROKER OF RECORD has been added to reflect a 2000 attorney general's opinion that prohibits a district from using this agent to purchase insurance contracts with premiums aggregating to \$10,000 or more in a 12-month period. The District may use a designated broker of record for contracts of lesser amounts provided the Board ensures that such an arrangement is in the District's best interest and that the selection is consistent with good business practice.

CRD (LEGAL) INSURANCE AND ANNUITIES MANAGEMENT
HEALTH AND LIFE INSURANCE

On September 16, 2004, the attorney general's office responded to a request to resolve a conflict between HB 3257 and HB 3459, bills enacted during the 78th Regular Session and both amending Insurance Code Article 3.50–8, Section 2. The first bill required the state to annually contribute \$1,000 (or an amount specified in the General Appropriations Act) to health reimbursement arrangement accounts (HRAs). The second, HB 3459, specified that TRS would deliver to each school district \$500 for full-time employees and \$250 for part-time employees.

The attorney general's office determined that neither bill included funding nor was funding of HRAs included in the General Appropriations Act. However, it was determined that the previous mechanism for funding the earlier "pass-through" supplemental compensation for school district employees—found in Chapter 1580 of the Insurance Code—remained in force. It was therefore determined that funding was appropriated to implement HB 3459 (the "pass-through") but not HB 3257 (HRAs). As a result of this determination, TRS has been relieved of its HB 3257 obligation to establish HRAs for this school year.

This construction of statutes prompts replacing the HB 3257 provisions previously found at STATE CONTRIBUTION, on page 3, with provisions of HB 3459. Similarly, citations at ELIGIBILITY and PROFESSIONAL STAFF have been revised to reflect Insurance Code 3.50–8, now codified as Insurance Code 1580.051.

Please note: Information regarding TRS's administration of the supplemental compensation appears at <http://www.trs.state.tx.us/hraccount/TRS%20statement%20092404.pdf>.

CV (LEGAL) FACILITIES CONSTRUCTION

The Texas Board of Architectural Examiners clarified the language of its rules pertaining to the use of a REGISTERED ARCHITECT, reflected on page 3. The new rules, which became effective July 5, 2004, retain the

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thresholds for architectural plans and specifications—\$50,000 (alteration or addition) and \$100,000 (new buildings)—but clarify that threshold cost is the “total projected construction costs at the commencement of construction.”

The EXCEPTION to required workers’ compensation coverage, found on page 9, has been revised to more closely track statute.

Please note: Although it does not change current policy, districts should be aware that the Texas Board of Professional Engineers has issued a policy advisory opinion on the use of an engineer in the modification of building roofs. This document may be found at <http://www.tbpe.state.tx.us/nm/Roofing.htm>.

DBA (LEGAL) EMPLOYMENT REQUIREMENTS AND RESTRICTIONS CREDENTIALS AND RECORDS

In light of the recent addition of a program for reading teachers, provisions pertaining to the various MASTER TEACHER GRANT PROGRAMS have been presented in a more unified manner, beginning on page 1. Program categories now include:

- Master reading teachers,
- Master mathematics teachers,
- Master technology teachers, and
- Master science teachers.

Districts may apply to the Commissioner for money to pay stipends to qualifying teachers for months of service. Commissioner’s rules that became effective on May 16, 2004, address how a district is to proceed when it employs more master teachers than available grants and how statewide proration of grant funds will affect individual teacher stipends. In either case, the District may use local money to make up for limitations on state funds.

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.

At MASTER TEACHER STIPENDS, we have added language 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).

Material at PROFESSIONAL PERSONNEL remains as before with the exception of the third line where we have added a reference to a credential filing deadline specified by the District. This addition is consistent with the “Certification Addendum” for educator contracts promulgated by TASB Human Resource Services and accessible to subscribers via MyTASB at https://www.tasb.org/docs-mytab/gov_svcs/human_rsc_svcs/memlib/memlibfiles/c_certaddn.doc.cfm.

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Please advise your Policy Consultant/Analyst if your Board has developed alternative language regarding the master teacher stipends or desires to revise any of the enclosed language.

DBD (LEGAL) EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CONFLICT OF INTEREST

This policy has been revised to more closely track statutory language. Added on page 2 is a Penal Code provision allowing a public servant receiving an unsolicited, prohibited gift to donate it to the District or other appropriate governmental entity or tax-exempt charitable organization.

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 a revision regarding disclosure of personal financial interest by an employee who is in a position to affect a District's financial decision.

The provisions at DISCLOSURE mirror the disclosure requirement for Trustees, in that all employees, including the Superintendent, would be obligated to file an affidavit disclosing any substantial interest in a business entity or interest in real property, as defined at BBFA. Aware of this possible conflict, the District could then ensure that the business decision was based upon the best interests of the District.

We have also edited for purposes of concision and clarity the recommended policy language at ENDORSEMENTS and SALES, language intended to ensure that the name of the District is not construed to support the sale of particular goods or services.

Please note: At ENDORSEMENTS, we have retained, unaltered, the District's locally developed text in the first sentence that prohibits an employee from recommending, endorsing, or requiring other employees to purchase products, materials, or services.

DEA (LEGAL) COMPENSATION AND BENEFITS
SALARIES, WAGES, AND STIPENDS

As at CRD(LEGAL), included in this update, provisions regarding the health reimbursement arrangement accounts (HRAs) have been replaced, on page 2, with the SUPPLEMENTAL COMPENSATION provisions of HB 3459 from the 78th Regular Session. The attorney general's office has determined that the legislation enacting the HRAs—HB 3257—was not funded, either by that legislation or by the General Appropriations Act. However, HB 3459—continuing the supplemental compensation "pass-through" enacted in 2001—also passed and is funded through Chapter 1580 of the Insurance Code.

DFF (LEGAL) TERMINATION OF CONTRACT
RESIGNATION

At ABANDONMENT OF CONTRACT, State Board for Educator Certification rules pertaining to sanctions against an educator have been added.

At NOTICE TO SBEC, a cross-reference to the Family Code reporting requirements for certain offenses (child abuse/neglect) has been added.

DFF (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:

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- 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."

DG (LEGAL) EMPLOYEE RIGHTS AND PRIVILEGES

At FEDERAL PROHIBITION ON RETALIATION appears the "whistleblower" protection provided by the 2002 Sarbanes-Oxley Act. While the act was largely in response to corporate financial mismanagement and protects whistleblowers in private sector companies, this provision is much broader than financial issues and broader as well than the state's WHISTLEBLOWER PROTECTION, also recited on page 1. This federal law now protects from retaliation anyone providing a law enforcement officer any true information regarding the commission or possible commission of **any** federal offense.

DMA (LEGAL) PROFESSIONAL DEVELOPMENT REQUIRED STAFF DEVELOPMENT

Specifications for staff development found in 19 TAC 153.1011 were repealed by the Commissioner in March 2004. The repeal was prompted by HB 1024 from the 78th Regular Session, legislation that gave districts more discretion in developing a comprehensive staff development program.

DNA (LEGAL) PERFORMANCE APPRAISAL EVALUATION OF TEACHERS

This policy has been extensively reorganized for clarity and refined to remove redundancy and to more closely reflect statutory language.

One substantive change, at EXCEPTION on page 1, reflects new provisions, from Commissioner's rules adopted in May, pertaining to less-than-annual appraisal cycles. These new provisions implement HB 1440 from the 78th Regular Session and clarify the effect of deficiencies on eligibility, the requirements of policy, and the District's authority to modify appraisal options. The (LOCAL) policy issues associated with these alternative appraisal cycles are the subject of a **Starting Points** policy development tool kit available at http://www.tasb.org/policy/sp/sp_appraisal.shtml.

DNB (LEGAL) PERFORMANCE APPRAISAL EVALUATION OF OTHER PROFESSIONAL EMPLOYEES

To provide a more complete presentation of administrative appraisal options and requirements, material previously found at DNB(EXHIBIT) has been incorporated into this policy.

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Please note: The Education Code 21.352(c) exception to the required annual (or more frequent) appraisals has been deleted from this policy. That exception permitted a certified teacher to be appraised less frequently if the employee agreed in writing and if his or her most recent appraisal rating was at least proficient or the equivalent and did not note any area of deficiency. Commissioner rules adopted in May to implement this exception define "teacher" narrowly rather than in the broader construction found in certain other Education Code passages. The rules apply exclusively to classroom teachers.

DNB (EXHIBIT) PERFORMANCE APPRAISAL
EVALUATION OF OTHER PROFESSIONAL EMPLOYEES

This exhibit—addressing the Commissioner's recommended appraisal process and performance criteria for administrators—has been incorporated into DNB(LLEGAL).

EHBA (LEGAL) SPECIAL EDUCATION STUDENTS
IDENTIFICATION, EVALUATION, AND ELIGIBILITY

Deleted from REFERRALS is a now-obsolete provision that started the 60-day time line for completion of a full and individual initial evaluation upon the date of referral. HB 1339, from the 78th Regular Session, amended the Education Code as of September 1, 2003, to start the time line with the date the District receives the parent's or guardian's signed, written consent for the evaluation.

EHBK (LEGAL) SPECIAL PROGRAMS
OTHER INSTRUCTIONAL INITIATIVES

In revising this policy at Update 73, we inadvertently omitted the word "just" from the Declaration of Independence recitation appearing in the Texas Administrative Code.

The corrected passage (with text capitalization as found in the Administrative Code) appears at RECITATION on page 2:

"We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these Rights, Governments are instituted among Men, deriving their **just** [boldface added to show correction] Powers from the Consent of the Governed."

According to 19 TAC 74.33(b), the social studies curriculum for students in grades 3–12 includes study and recitation of this text when observing Celebrate Freedom Week (or another, locally determined, full school week of instruction). The scope of that study is defined by 19 TAC 74.33(a), found at APPROPRIATE INSTRUCTION.

EL (LEGAL) CHARTER CAMPUS OR PROGRAM

This policy has been restructured for clarity, and language has been refined to more closely track statute.

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(LLEGAL). 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

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- 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.

FD (LEGAL) ADMISSIONS

At FOREIGN STUDENTS, beginning on page 3, are found provisions unique to nonimmigrant, alien students. Federal law has long required districts to obtain Immigration and Naturalization Service approval of such students who are in the U.S. under certain visas, but this (LEGAL) policy has not previously reflected INS requirements.

With the passage of the Enhanced Border Security and Visa Entry Reform Act of 2002, districts have additional requirements. The Act mandates an Internet-based tracking system for nonimmigrant students—the Student and Exchange Visitor Information System (SEVIS)—that now requires districts seeking approval to enroll nonimmigrant students with F, J, or M visas to enter information about those students, any change of information, and any failure of students to enroll. The Act grants an exception to the Federal Educational Rights and Privacy Act (FERPA) for this reporting related to F-, J-, and M-visa students.

This policy has also been revised to reflect the 78th Legislature's reorganization and consolidation of various health and human services agencies and to more closely track statute.

Other revisions are as follows:

- A new subsection on ILLEGAL ALIENS, on page 4, has been added for clarity. It recites a longstanding Supreme Court determination that prohibits any district from denying enrollment to children solely because they are not legally admitted to the U.S.
- At CREDITS AND RECORDS, on page 7, is added an Education Code provision that directs the District to consider course credit earned by a student in a juvenile justice alternative education program on par with credit earned within the District. This provision is being recoded to FD from FOAC(LEGAL), which is no longer an active policy code.

FM (LEGAL) STUDENT ACTIVITIES

This policy has been extensively reorganized for clarity and revised to more closely track statutory language. It remains substantively unchanged except for an addition at PARENTAL NOTICE AND CONSENT, on page 5, citing a 2002 Commissioner's decision in a case involving anonymously prepared cheerleader tryout evaluation forms. The Commissioner determined that such forms fell within the "full information" requirements of Education Code 26.008(a), recited in this policy as well.

The Commissioner also determined that a district "may by policy establish the parameters for parental contact with evaluating teachers, taking into account the type of evaluation, the information elicited in the evaluation, and scheduling and workload requirements of the teachers." Please contact your Policy Consultant/Analyst for sample (LOCAL) policy language.

GKB (LEGAL) COMMUNITY RELATIONS ADVERTISING AND FUND RAISING IN THE SCHOOLS

A key provision of the Transportation Code—prohibiting a person from placing or maintaining outdoor advertising that violates the code—has been added as a preface to the EXCEPTION, enacted by HB 1697 from the 77th Regular Session. That legislation specifically exempts from normal regulations sponsored signs

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(along a state highway in more populous counties) for a nonprofit county agriculture fair, school, or institution of higher education, provided the entity that pays for or sponsors the sign does not devote more than 25 percent of the sign area for the sponsor's logo or identity.

GKD (LEGAL) COMMUNITY RELATIONS
NONSCHOOL USE OF SCHOOL FACILITIES

A new introductory section titled PROHIBITED ACTS has been added from the Civil Practices and Remedies Code. This material specifically disallows a District officer or employee from discriminating on the basis of a person's race, religion, color, sex, or national origin by:

- Refusing permission for the person to use District facilities open to the public or to participate in a District program; or
- Refusing to grant a benefit to the person or imposing an unreasonable burden on the person.

GKG (LEGAL) COMMUNITY RELATIONS
SCHOOL VOLUNTEER PROGRAM

At VOLUNTEER IMMUNITY, a new second sentence—speaking to intentional misconduct or gross negligence—has been added to clarify the qualified immunity that a District volunteer may claim.

FISCAL MANAGEMENT GOALS AND OBJECTIVES:
FINANCIAL ETHICS

CAA
(LOCAL)

All Trustees, employees, vendors, contractors, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources.

Note: See the following policies and/or administrative regulations regarding conflicts of interest, ethics, and financial oversight:

- Code of ethics:
for Board members—BBF
for employees—DH
- Financial conflicts of interest:
for public officials—BBFA
for all employees—DBD
- Financial conflicts involving federal funds: CBB
- Systems for monitoring the District's investment program: CDA
- Budget planning and evaluation: CE
- Compliance with accounting regulations: CFC
- Activity fund management: CFD
- Criminal history record information for employees: DC
- Disciplinary action for fraud by employees: DCD, DCE, and DF series

FRAUD AND
FINANCIAL
IMPROPRIETY

The District prohibits fraud and financial impropriety, as defined below, in the actions of its Trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

DEFINITION

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other District assets, including employee time.
4. Impropriety in the handling of money or reporting of District financial transactions.

FISCAL MANAGEMENT GOALS AND OBJECTIVES:
FINANCIAL ETHICS

CAA
(LOCAL)

5. Profiteering as a result of insider knowledge of District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District.
9. Destroying, removing, or inappropriately using records, furniture, fixtures, or equipment.
10. Failing to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by policy.
12. Any other dishonest act regarding the finances of the District.

FINANCIAL
CONTROLS AND
OVERSIGHT

Each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

FRAUD PREVENTION

The Superintendent or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the District.

REPORTS

Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, or local law enforcement.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

PROTECTION
FROM
RETALIATION

Neither the Board nor any District employee shall unlawfully retaliate against a person who in good faith reports perceived fraud or financial impropriety. [See DG]

FRAUD
INVESTIGATIONS

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent, Board President, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

FISCAL MANAGEMENT GOALS AND OBJECTIVES:
FINANCIAL ETHICS

CAA
(LOCAL)

RESPONSE

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

ANALYSIS OF FRAUD

After any investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Superintendent or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Board for review.

EMPLOYMENT REQUIREMENTS AND RESTRICTIONS:
CREDENTIALS AND RECORDS

DBA
(LOCAL)

MASTER TEACHER
STIPENDS

At the end of the school year, a master teacher shall be paid the stipend for any month in which the teacher performed the prescribed duties for more than ten days. [See DBA(LEGAL)]

If the number of master teachers exceeds the grants allocated, the District shall first fund the stipends for master teachers in their second or third year in the master program, as required by law. The District shall distribute the remaining funds among newly assigned master teachers based on:

LOCAL CRITERIA

1. Length of time teaching in the subject area.
2. Seniority in the District, as measured from the employee's most recent date of hire.

PROFESSIONAL
PERSONNEL
CREDENTIALS

Personnel shall possess valid credentials before contracts are issued, duties are assigned, or payment is made from any source of funds. Within the time allotted by SBEC and by the District, each teacher who is employed with an emergency permit must satisfy state requirements for proper certification for the position to which he or she is assigned.

All professional employees who have earned certificates, endorsements, or degrees of higher rank since the previous school year must file with the Superintendent:

1. An official college transcript showing the highest degree earned and date conferred.
2. Proof of the certificate or endorsement.

RECORDS

The District shall maintain current and complete personnel records of all employees according to any applicable legal guidelines and local administrative requirements.

EMPLOYMENT REQUIREMENTS AND RESTRICTIONS:
CONFLICT OF INTEREST

DBD
(LOCAL)

An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities.

An employee shall not have a personal financial interest, a business interest, or any other obligation that in any way creates a substantial conflict with the proper discharge of assigned duties and responsibilities or that creates a conflict with the best interest of the District.

An employee who believes he or she has or may have a conflict of interest shall disclose the interest to the Superintendent or designee, who shall take whatever action is necessary, if any, to ensure that the District's best interests are protected.

ENDORSEMENTS Employees shall not recommend, endorse, or require students or other employees to purchase any product, material, or service in which they have a financial interest or that is sold by a company that employs the District employee during nonschool hours. Professional employees shall not recommend or require students to purchase a specific brand of school supplies if there are other brands that are equal and suitable for the intended instructional purpose.

SALES Employees shall not use their positions with the District to gain entrance to a home within the District or to obtain an audience with any District resident for the purpose of attempting to sell products or services.

CONFLICT OF INTEREST REGARDING ACCEPTANCE OF GIFTS Except as provided herein, no employee of the District shall accept any gift, favor, loan, service, trip, or other personal or real property from any individual or entity which conducts or seeks to conduct business with the District.

Employees of the District may accept the following:

1. Gifts that are of nominal value given for the purpose of advertising, ceremonial occasions, or official events.
2. Infrequent business meals of nominal value.
3. Infrequent entertainment or social invitations, provided the entertainment or social invitation is not directed to the school

District or select group of area school districts.

As used in this policy, nominal value is defined as \$25 or less.

Employees may accept expenses paid trips that are part of the normal business activities of the District. Trips taken by employees must be approved in advance by the Superintendent.

Trips, expenses, gifts, and award related to the business of the district and paid for by the District may be accepted by the employee.

TERMINATION OF CONTRACT:
REDUCTION IN FORCE

DFF
(LOCAL)

APPLICABILITY

This policy shall apply only to reductions in force of contractual employees when the reduction in force requires the termination of:

1. A contract governed by Chapter 21 of the Education Code in the following circumstances:
 - a. A probationary contract during the contract period;
 - b. A term contract during the contract period or
 - c. A term contract at the end of the contract period.
2. A contract not governed by Chapter 21 of the Education Code during the contract period.

Note: This policy shall not apply to termination at any time of at-will employment [see DCD]; termination of a continuing contract [see DFCA]; termination of a probationary contract at the end of the contract period [see DFAA]; or termination at the end of the contract period of a contract not governed by Chapter 21 of the Education Code [see DCE].

DEFINITIONS

Definitions used in this policy are as follows:

1. "Financial exigency" shall mean any event or occurrence that creates a need for the District to reduce financial expenditures for personnel including, but not limited to, a decline in the District's financial resources, a decline in enrollment, a cut in funding, a decline in tax revenues, or an unanticipated expense or capital need.
2. "Program change" shall mean any elimination, curtailment, or reorganization of a curriculum offering, program, or school operation. The term shall include, but not be limited to, a change in curriculum objectives, a modification or reorganization of staffing patterns on a particular campus or Districtwide, a redirection of financial resources to meet the educational needs of the students, a lack of student response to particular course offerings, legislative revisions to programs, or a reorganization or consolidation of two or more individual schools or school districts.
3. "Discharge" shall mean termination of a contract during the contract period.
4. "Nonrenewal" shall mean the termination of a term contract at the end of the contract period.

GENERAL GROUNDS

A reduction in force may take place when the Board determines that financial exigency or a program change requires the discharge

TERMINATION OF CONTRACT:
REDUCTION IN FORCE

DFF
(LOCAL)

SCOPE OF
REDUCTION

or nonrenewal of one or more employees in accordance with this policy. Such a determination constitutes sufficient cause for discharge or nonrenewal.

When a reduction in force is to be implemented, the Superintendent shall make recommendations to the Board and the Board shall determine the employment areas to be affected. In determining affected employment areas, the Board may combine or coordinate employment areas, as defined below (e.g., the Board may combine "elementary programs" and "compensatory education programs" to identify an employment area of "elementary compensatory education program").

EMPLOYMENT AREAS

Employment areas include, but are not limited to:

1. Elementary grades, levels, subjects, departments, or programs.
2. Secondary grades, levels, subjects, departments, or programs.
3. Special programs, such as gifted and talented, bilingual/ESL programs, special education, compensatory education, and migrant education. Each special program is a separate employment area.
4. Counseling programs.
5. Library programs.
6. Nursing and other health services programs.
7. An educational support program that does not provide direct instruction to students.
8. Other Districtwide programs.
9. An individual campus.
10. Any administrative position(s), unit, or department.
11. Other contractual position(s).

CRITERIA FOR
DECISION

The Superintendent shall recommend to the Board the discharge or nonrenewal of employees within the affected employment area(s) because of a reduction in force, based on the following criteria. These criteria are listed in order of importance; the Superintendent shall apply them sequentially to the extent necessary to identify the employees who least satisfy the criteria and therefore are subject to the reduction in force, i.e., if all necessary reductions can be accomplished by applying the certification criterion, it is not necessary to apply the performance criterion, etc.

TERMINATION OF CONTRACT:
REDUCTION IN FORCE

DFF
(LOCAL)

1. Certification: Appropriate certification, endorsement, and/or highly qualified status for current or projected assignment.
2. Performance: Effectiveness as reflected by appraisal records and other written evaluative information.

If the Superintendent at his or her discretion decides that the documented performance differences between two or more reduction-in-force prospects are too insubstantial to rely upon, he or she may proceed to apply criterion 3 and, thereafter and to the extent needed, criterion 4.

3. Seniority: Length of service in the District, as measured from the employee's most recent date of hire.
4. Professional Background: Professional education and work experience related to the current or projected assignment.

CONSIDERATION
FOR AVAILABLE
POSITIONS

Once the Superintendent has identified the appropriate employees in the affected area(s), those employees may apply for other available positions for which they are qualified. An employee is responsible for reviewing posted vacancies, submitting an application, and otherwise complying with District procedure to be considered for a particular vacancy.

Up until the date of a hearing requested in accordance with this policy, an employee who applies for an open position must be offered the position if the employee meets the District's objective criteria for that position and is the most qualified internal applicant for the position.

NOTICE AND
HEARING

After considering the Superintendent's recommendation, the Board shall determine the employees to be proposed for discharge or nonrenewal, as appropriate. The Superintendent shall provide each employee written notice of the proposed action, including a statement of the reason(s) requiring such action and notice that the employee is entitled to a hearing.

NONRENEWAL

An employee receiving a notice of proposed nonrenewal may request a hearing in accordance with DFBB.

DISCHARGE

An employee receiving notice of proposed discharge during the period of a contract governed by Chapter 21 of the Education Code may request a hearing before an independent hearing examiner in accordance with DFD.

An employee receiving notice of proposed discharge during the period of an employment contract not governed by Chapter 21 of the Education Code may request a hearing before the Board or its designee in accordance with DCE.

CHARTER CAMPUS OR PROGRAM

EL
(LOCAL)

The Board shall consider an application for a campus charter or program charter if the applicant:

1. Complies with the statutory requirements for a campus charter or program charter;
2. Follows the application process established by the District; and
3. Supplies evidence to the Board that the applicant will comply with the statutory and District requirements for a campus charter or program charter.

COMPLIANCE WITH
LAW

Campus charters and program charters shall comply with all federal law and with state law governing such charters and shall be non-sectarian.

APPLICATION
PROCESS

The Superintendent or designee shall schedule an informational meeting for anyone expressing interest in establishing a charter campus or charter program. Applications and petition forms for charter campuses and charter programs shall be available in the Superintendent's or designee's office.

Applicants shall present a draft of the application to the Superintendent or designee in accordance with a time line established in administrative regulations. The Superintendent or designee shall work with the applicants in completing the application process.

A public forum shall be held to allow the applicants an opportunity to present their proposals to the Board and to the community prior to formal consideration by the Board.

Final applications and petitions for campus charters or program charters shall be submitted to the District prior to January 1 for a charter to be considered by the Board to begin the following school year.

CONTENT OF FINAL
APPLICATION

A final application for a campus charter or program charter shall include the following:

1. The purpose and need for such a campus or program;
2. The unique distinction between the proposed program and the District's current program;
3. A mission and goals statement;
4. The curriculum to be offered;
5. A plan for measuring student achievement;

CHARTER CAMPUS OR PROGRAM

EL
(LOCAL)

6. A governance and decision-making plan, including a list of local Board policies which shall apply, as well as a list of local policies the applicant is requesting the Board to waive;
7. An enrollment and withdrawal process;
8. A plan for maintaining and reporting PEIMS data in accordance with state requirements;
9. Discipline procedures;
10. A safety and security plan;
11. A plan for providing facilities and student transportation;
12. A facility and maintenance plan that includes routine maintenance as well as emergency procedures for managing potential danger to the health and safety of students and employees;
13. An employment plan consistent with federal and applicable state guidelines, due process requirements, and contract non-renewal and termination procedures; and
14. The role of the chief operating officer responsible for personnel, the budget, purchasing, program funds, and other areas of management.

Applicants shall submit with the application the required petitions indicating evidence of support for the approval of a campus charter or program charter.

CONTENT OF
CHARTER

A charter shall be a written contract signed by the Board President, the Superintendent, and the chief operating officer of the campus charter or program charter.

Each charter shall:

1. Satisfy the requirements of the law governing campus charters or program charters.
2. Include the items listed in the application, with any modifications required by the Board.
3. Stipulate a term length for the charter.
4. Establish a date for review or renewal of the charter.

PROVISIONS FOR
REVOCATION

The Board may revoke a charter if it finds that the charter campus or charter program:

1. Violates a provision of applicable state or federal law.

2. Violates a provision of the charter.
3. Fails to meet generally accepted accounting standards for fiscal management.

REVOCATION
PROCEDURE

The Superintendent shall investigate any allegation that a charter campus or charter program has violated federal or applicable state law or provisions of the charter or fails to meet generally accepted accounting standards for fiscal management. The Superintendent shall hold a conference with the chief operating officer and governing body of the charter campus or program to discuss any such allegation.

If the Superintendent determines that a violation or mismanagement has occurred, the chief operating officer of the charter campus or program shall respond to the allegation at the next regularly scheduled Board meeting. The Superintendent shall ensure that the issue is on the agenda.

The Board shall hear the presentation and take action, if necessary, to place the charter campus or program on probation.

If the Board decides to consider revocation of the charter, it shall schedule a public hearing to be held on the campus where the program is located.