



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

11B. Preview

Date: January 14, 2008

SUBJECT: POLICY REVISION: CDA (LOCAL)

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Investment of District Funds.

Background Information:

- TEA requires a yearly administrative review of the District's Investment Policies both CDA Legal and Local which has prompted the revision recommendations.
- The review also considers the rate of returns of the investments by the district in regards to benchmarks supporting the decision for revision.

Administrative Considerations:

- The change requested to the CDA (Local) policy is needed to allow for the district to invest in highest quality commercial paper. Due to the time sensitive nature of such investments, the Board approval process prevents the district from taking part in such opportunities.
- District recommendation is to remove the requirement of Board approval on commercial paper investments with the understanding that all investments will continue to be reviewed by the Administrative Investment Committee (Deputy Superintendent, Chief Financial Officer and Director of Finance).
- The use of commercial paper will allow the district to better diversify its investments in keeping with the policy. Adding the commercial paper investment back into the district's portfolio also has the potential of higher yields or additional funding for the district.
- Adding commercial paper to the district's portfolio could potentially increase interest income by \$500,000 per year or the equivalent of 10 teaching positions.

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Respectfully submitted,

Karin Holacka
Executive Director of Elementary Administration