



## **Commissioner Williams directs Beaumont ISD conservator to set spending parameters in district's financial exigency**

AUSTIN – Commissioner of Education Michael Williams has instructed the conservator overseeing the Beaumont Independent School District (BISD) that the board of trustees will be required to get conservator approval for certain expenditures exceeding \$10,000. The move is designed to safeguard taxpayers and students as the district works to approve a new budget while simultaneously reducing its workforce during a self-declared state of financial exigency.

“As the district is saying it cannot meet its current financial obligations without eliminating hundreds of people from vital campus and classroom positions, board members are poised to spend hundreds of thousands of dollars on items that have nothing to do with meeting the educational needs of students,” said Commissioner Williams. “I am directing the BISD conservator to keep student education the priority before approving any large expenditures for the coming fiscal year.”

On May 29, 2014, the Beaumont ISD board voted to declare a state of financial exigency and informed the Commissioner of this move. Financial exigency means the financial position of the school district as a whole is such that the financial resources of the school district are insufficient to support the school district's instructional programs or the school district is unable to finance the full compensation of staff for the current or succeeding fiscal year.

Commissioner Williams has instructed Texas Education Agency (TEA) Conservator Fred Shafer to give the BISD board of trustees the following directives:

- **Directive #1:** The Beaumont ISD Board of Trustees shall not authorize the approval of any expenditures over \$10,000 either singularly or in the aggregate over a twelve month period until at such time a balanced budget has been approved for the 2014-2015 fiscal year. The board of trustees shall not use any of the district's fund balance in developing a balanced budget for 2014-2015 fiscal year. The only exceptions to this directive are for the expenditure of funds for the current year district payroll, benefits and utility costs. Any expenditures other than the current year payroll, benefits and utility costs that would exceed \$10,000 must be approved by the conservator.
- **Directive #2:** The Beaumont ISD Board of Trustees shall authorize the expenditure of funds only for activities and/or services that have been approved in the 2013-2014 budget or if the budget has been amended and approved by the board of trustees that allows for

the expenditure of funds for identified activities and/or services prior to this date. The board of trustees may not make future budget amendments that exceed \$10,000 without the approval of the conservator.

- **Directive #3:** The board of trustees may not pay unearned legal fees, approve any severance package, or hire any additional personnel without the approval of the conservator.

Commissioner Williams and senior TEA officials have been in contact with the Texas Attorney General's Office regarding this matter. The Attorney General's Office has assured Commissioner Williams that it will take all necessary steps to ensure the school board fully complies with the Commissioner's directives.

In April, Commissioner Williams announced his decision to appoint a board of managers to oversee the management of the Beaumont Independent School District. The Commissioner also announced his intent to name a new superintendent for the district. A conservator has been overseeing operations of the district as the board appealed the decision. The district has requested a record review of the decision to appoint a board of managers. That record review is set for July 10 in Austin.

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