

TEXAS EDUCATION AGENCY

1701 North Congress Ave. ★ Austin, Texas 78701-1494 ★ 512/463-9734 ★ FAX: 512/463-9838 ★ <http://www.tea.state.tx.us>

Robert Scott
Commissioner

October 15, 2008

Members of the Board of Trustees
Dr. Ronald L. Beard, Superintendent
Cleburne Independent School District
505 N. Ridgeway, Suite 100
Cleburne, TX 76033-5118

Dear Members of the Board and Dr. Beard:

This is a follow-up letter to the final investigative letter dated July 11, 2008. The district did not adhere to the standards for financial management systems promulgated in 34 CFR 80.20 and the internal control principles, requirements and standards described in (A) (2) of OMB Circular A-87, and OMB Circular A-133. The district's failure to maintain adequate controls over its federal awards, especially in regards to the review and approval of the costs charged to the grants, to ensure the appropriate expenditure of grant funds is of great concern to the Texas Education Agency (TEA).

As a result of the district's failure to maintain adequate financial accounting and other records, I am compelled to exercise my authority under the Texas Education Code Section 39.075 and Section 39.131 to intervene. Accordingly, I am assigning Dr. Monte Geren to Cleburne ISD as the district's TEA monitor to guide the actions of the school district in regaining financial integrity. Agency staff will be present at the next regularly scheduled meeting of the board of trustees to introduce Dr. Geren to the members of the board and the administrators. Dr. Geren has worked as a superintendent of La Vega, Canton, and Whitehouse ISD; assistant superintendent for business and support services at Lancaster ISD; and business manager at Alien ISD. His 35 years of experience in the public school area will help in addressing the financial problems at Cleburne ISD.

I am also directing the district to work with the Regional Education Service Center, ESC XI, to obtain the services that they can provide in regaining financial integrity. The ESC is willing to work with the district in providing support to the business office and the grants program area.

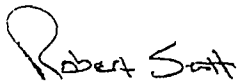
Dr. Geren's duties as the district's monitor include, but are not limited to, the following:

- Attend board meetings, including executive sessions, to ensure that the most critical actions of the board of trustees are given high priority and are addressed in a timely manner.
- Ensure that appropriate communication takes place among the board of trustees, the administration, the ESC and the community.
- o Conduct ongoing assessments of the financial condition of the district.
- Assist in budget review and analysis.
- Report monthly to the Financial Audits Division of the Agency.
- o Oversee the development and implementation of policy and procedures for the federal grants programs.
- o Review and approve the costs charged to federal and state grants.
- o Monitor the expenditure of local and state funds.
- Advise me on any additional sanctions that may need to be considered.

The cost of the monitor's services will be paid by the district in accordance with Texas Education Code, Section 39.134. The fee shall be \$75 per hour (not to exceed \$600 per day) plus necessary travel expenses not to exceed the state per diem rate. Failure to make timely payments to the monitor may result in appropriate amounts being deducted from the district's Foundation School Program funds.

The monitor will keep me apprised of the conditions in the school district and the degree of cooperation shown by the board of trustees and the administration. It is my sincere desire that all parties work together in a cooperative and productive manner with the monitor to address the financial deficiencies in the school district. Any questions regarding the assignment of Dr. Geren may be addressed to Ron Rowell, Director of Governance and General Inquiries, at (512) 475-3697.

Sincerely,



Robert Scott
Commissioner of Education

RS:rc

cc: Dr. Monte Geren, Monitor
Richard Ownby, Executive Director
Region XI Education Service Center
David Anderson, General Counsel Legal Services
Ron Rowell, Director of Governance and General Inquiries
Rita Chase, Director of Financial Audits