Snyder Independent School District

Snyder, Texas

Annual Financial Accountability Management Report

For the Year Ending August 31, 2010

Prepared by
Dr. Randy Burks, *Chief Financial Officer*
Leanne Rogers, *Accountant*

With Assistance from the Business Office Team
Yolanda Arellano, *Payroll Specialist*
Kitty Welch, *Accounts Payable Specialist*
Amanda Weaver, *Purchasing Specialist*
Kathy Boyd, *Finance Secretary*

Contents

Introduction of Financial Integrity Rating System of Texas

Other Data Concerning the District's Operations

2009-2010 District Financial Integrity Rating Status Summary

Superintendent's Contract

Introduction

Passed during the 77th regular session of the Texas Legislature (2001), Senate Bill 218 requires each school district to prepare an annual financial accountability report. Many business-related issues are covered in this report. The primary reporting tool, however, is the Financial Accountability Ratings Worksheet. This worksheet was developed by representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC) and the Texas Association of School Business Officials (TASBO). It is administered by TEA and calculated on information submitted to the Agency via the annual PEIMS submission. The 2010 School FIRST ratings were based upon an analysis of staff and student data reported for the 2009-2010 school year and budgetary and actual financial data for the 2010 fiscal year.

Known as the FIRST rating (Financial Integrity Rating System of Texas), the worksheet consists of 22 Indicators, with yes or no answers for indicators one through six. If the district answers no to indicator 1, 2, 3, or 4 or if 5 and 6 are both no, the district receives a substandard rating. The remaining 16 indicators are combined for a total score up to 80 points. A rating is then determined from the overall score. Ratings range from Superior Achievement to Substandard Achievement. The overall 2009-2010 state statistics are included behind Snyder ISD's report.

Beginning with the 2006-2007 reporting year, the rating system incorporated several changes as a result of legislative action and executive order of the governor. One of which was the incorporation of the 65% rule. House Bill 3 of the 81st Legislative Session, 2009 amended the report, stating that the rating system may not include an indicator that requires a school district to spend at least 65% or any other specified percentage for instructional purposes. As a result, two indicators were removed from the 2010 School FIRST, and the indicators were renumbered.

For the eighth year in a row, Snyder ISD continues its financial excellence with a rating of "Superior Achievement" for the 2009-2010 **fiscal year, scoring positive responses on all 22 questions for a perfect score of 80 points out of a possible 80 points.** This report briefly focuses on how this superior rating was achieved and what will be required to maintain it.

Other Data Concerning the District's Operations

The purpose of this section of the report is to discuss other aspects of the District's business operations not covered by the worksheet. The worksheet should be viewed as a basic tool with which to assess SISD's primary business practices. However, a financial evaluation should not stop there. The district should always be working towards improvement in all aspects of our operations to maximize funds available to campuses for educational purposes and to our ancillary departments that support our campuses.

Outlined below are a number of business practices not covered by the Financial Accountability Worksheet directly.

Financial Strength

The state of Texas recommends that financial strength be discussed in this report. A significant financial indicator of strength is the district's ability to meet cash flow needs from December to June each year without borrowing money. During these months, state funds decrease based on the assumption that the District is realizing revenues from tax collections. Snyder ISD has not borrowed funds for operating reasons at any time in recent history, which is one indicator of adequate financial strength.

Another indicator of financial strength can be measured by the District's level of fund balance. The fund balance of the district has increased significantly in the past nine years from $1,897,783 in 2000-2001 to $22,558,669 in 2009-2010 of which $9,573,152 has been designated for capital improvements and other financial needs. Careful management of the operating budget has enabled SISD to increase fund balance for future financial needs.

Operating Cost Management

A relatively small portion of total General Fund expenditures are flexible or variable in nature. Salaries and benefits comprise the largest part of the annual budget, followed by other fixed costs such as recapture payments, maintenance, transportation, utilities, tax appraisal fees, tax collection fees, and debt service. The balance of the expenditures are allocated for supplies, materials, capital outlay, staff development, construction, and contracted services.

Personnel Management

The District's longstanding personnel goal is to attract and retain qualified staff, and to offer a competitive salary and benefit package each year. In an effort to remain competitive with area districts, teacher salaries were increased from $3,000 above state base in 2006-2007 to $4,000 above state base in 2007-2008. The district also added 10 additional steps above the 20 step teacher salary schedule (State Minimum Salary Schedule for Classroom Teachers, Full-Time Librarians, and Full-Time Nurses).

Debt Management

The taxpayers of the District authorized a $24.585 million bond program in September 2004. This authorization was received very favorably by the voters. This speaks to the confidence

voters have in the District, not only from an instructional viewpoint, but also from a financial management perspective.

All funds under the 2004 authorization have been issued. The elementary school was completed in August, 2007 and was opened with approximately 1,200 students in attendance. Several renovation projects were also completed during the 2007-2008 year.

Debt management is easier if local taxes are collected at a high collections rate consistently over the years. The District has experienced favorable tax collections, which is one of the worksheet criterions dealing with this issue.

Facility Acquisition and Construction Management

A 2007-2008 facility study noted needed improvements to athletic facilities, fine arts areas, vocational facilities and the administration building. A bond election was called for in the November general election to address most of these needs. Unfortunately, the bond did not pass in the November 4, 2008 election. Carefully considering the recommendations outlined in the study, the District has used portions of its available maintenance and operations budget to address facility needs.

Cash Management

The worksheet addresses cash/investment issues. The worksheet criteria essentially states that a district should have cash available, and should earn a minimal rate of return on it. In truth, an investment and cash management program is much more complex.

First, state and local board policies require funds be invested with four major objectives in mind. In order of importance, they are: safety, liquidity, diversity and yield.

State and local policy specify what types of securities can be purchased, and virtually all of them fall within these restrictions. Certificates of Deposit are legal investments, but they are not liquid and their marketability can fluctuate, so CD's are only purchased when they are the most attractive investment in terms of maturity and return.

There are a few investments that are legal to purchase, but they aren't very marketable. Consequently, we don't buy them. Bonds of the state of Israel are a good example. While diversity in the portfolio is always a goal, interest rates have dictated the direction of investments the past several years. Operating funds are mainly kept in investment pools and with the District's depository bank. Lastly, quarterly reviews of investment activity and performance and an annual review of the investment policy are submitted to the Board of Trustees for review and approval, as required by law.

Budgetary Planning & Financial Allocations

The District's budget process usually begins in February each year. During the first month of planning, budget allocations are developed for each campus and department. Most school

districts have some rational basis for allocating funds to campuses and operating departments. Snyder ISD's funds are allocated to the campuses based on the number of students and type of campus. Support departments receive funds based on previous year's budgets adjusted (up or down) for future years' needs. Special project requests for amounts supplemental to allocations are considered individually each year. In May, budget requests are submitted and state and local revenue calculations begin. June and July are spent compiling this information and the first preliminary view of how the next year's budget looks occurs. In odd-numbered years, the legislature is in session, and that complicates and delays the budgeting process. In the months of July and August, budget committee meetings are held to review the preliminary budget. Decisions are made on program and capital outlay requests, revenue data is fine-tuned and a final budget is submitted to the Board of Trustees for approval in August.

The budget process is a proactive and highly participatory one, and campuses and departments are given a great deal of discretion as to how to budget their funds. After the budget is adopted, each campus or department is given equal latitude regarding amending their budget when their plans or needs change. This decentralized style of budget management (called site-based decision making) is required by the state of Texas. It is a system that works best in the long run for everyone by allocating resources where they are needed, even when those needs change.

Academic Ratings

Although not a direct indicator of a district's financial strength or operating processes, the academic ratings of a district can be connected back to its financial operations to a degree. The management and distribution of a district's financial resources toward instruction can have an effect on the district's academic rating. Financial mismanagement can lead to lower academic achievements if the funds are not targeted towards the appropriate areas. Indicator Test 7 is tied to the district's academic accountability rating. For the 2009-2010 school year, the District received an Recognized rating.

Annual Audit Report

Each year, an audit is performed by independent auditors. Their job is to report on SISD's financial status and to ensure that Snyder ISD management is doing a good job of keeping the District's financial records up to required standards. This report is a critical element of the accountability ratings worksheet, covering six criteria. These criteria and the District's compliance with each have been discussed in this report. Further, the district has had "perfect audits" for the past six years, 2004 through 2010, with auditors reporting "No Reportable Conditions, No Material Weaknesses."

Required Supplementary Information

Distribution of the District's financial management report, the superintendent's contract, reimbursements received by the superintendent and board members and other compensation

and gifts received are to be included in this report. This information is being presented below to comply with the requirements.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's internet site. If published on the internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members

A summary schedule for the twelve-month period of total reimbursements received by the superintendent and each board member is to be included in the annual financial management report. All reimbursement expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. The summary schedule is to report by category:

- Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, also excludes catered board meeting meals);
- Lodging - Hotel charges;
- Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls);
- Motor fuel – Gasoline;
- Other: - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

The reimbursements received for the twelve-month period ending August 31, 2009 are as follows:

	Sup't	Board Members		
Description of Reimbursements	Mark Eads	Richard Chambers	Jerry Boyd	Glen Clarady
Meals	580.08	434.00		273.00
Lodging	1,738.27	1,926.76		1,203.03
Transportation	1,454.58	1,512.48	525.23	354.47
Motor Fuel				
Other	1,455.00	305.00	150.00	620.00
Car Allowance	6,000.00			
Total	$ 11,227.93	$ 4,178.24	$ 675.23	$ 2,450.50

	Board Members			
Description of Reimbursements	Kay Hopper	Ronnie Anderson	Trent Driggers	Mike Levens

Meals	273.00	273.00	128.00	161.00
Lodging	1,278.81	1,203.03	429.57	773.46
Transportation	793.79	705.27	350.80	498.51
Motor Fuel				
Other	620.00	620.00	285.00	505.00
Total	$ 2,965.60	$ 2,801.30	$ 1,193.37	$ 1,937.97

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

A summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services is to be reported. Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business. A disclosure of such compensation is attached.

Gifts Received by Executive Officers and Board Members

An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials. A summary schedule for the fiscal year of the total dollar amount of gifts with an economic value of $250 or more in the aggregate is to be reported for the executive officers and board members of the district. This reporting requirement only applies to gifts received by the school district's executive officers and board members from an outside entity that received payments from the school district in the prior fiscal year and gifts from competing vendors that were not awarded contracts in the prior fiscal year. A disclosure of gifts received is attached for each board member and superintendent.

Business Transactions between School District and Board Members

Finally, a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district is to be included. This reporting requirement is not to duplicate the items disclosed in the schedule of reimbursements.

Business transactions between the school district and board members for fiscal year 2010 for the twelve – month period ending August 31, 2010:

			Board Members	
			Jerry Boyd	Glen Clarady
Summary Amounts			5,690.54	4,268.85
Total			$ 5,690.54	$ 4,268.85

YEAR 2009-2010 SELECT AN OPTION Help Home Log Out

Financial Integrity Rating System of Texas

2009-2010 DISTRICT STATUS DETAIL

Name: SNYDER ISD(208902)	**Publication Level 1:** 6/17/2011 9:03:31 AM
Status: Passed	**Publication Level 2:** 8/31/2011 1:00:45 PM
Rating: Superior Achievement	**Last Updated:** 8/31/2011 1:00:45 PM
District Score: 80	**Passing Score:** 56

#	Indicator Description	Updated	Score
1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	4/25/2011 9:09:43 PM	Yes
2	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)	4/25/2011 9:09:44 PM	Yes
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	4/25/2011 9:09:44 PM	Yes
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	4/29/2011 3:52:32 PM	Yes
5	Was There An Unqualified Opinion in Annual Financial Report?	4/25/2011 9:09:44 PM	Yes
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	4/25/2011 9:09:44 PM	Yes
			1 Multiplier Sum
7	Did the Districts Academic Rating Exceed Academically Unacceptable?	4/25/2011 9:09:45 PM	5
8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	4/25/2011 9:09:45 PM	5
9	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	5/10/2011 10:11:46 PM	5
10	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < $350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property	4/25/2011 9:09:45 PM	5

	Taxes Collected Per Penny Of Tax Effort > $200,000 Per Student)		
11	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	4/25/2011 9:09:46 PM	5
12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	4/25/2011 9:09:46 PM	5
13	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?	4/25/2011 9:09:46 PM	5
14	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)	5/10/2011 4:15:38 PM	5
15	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)	4/25/2011 9:09:47 PM	5
16	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	4/25/2011 9:09:47 PM	5
17	Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?	4/25/2011 9:09:47 PM	5
18	Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?	4/25/2011 9:09:47 PM	5
19	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?	4/25/2011 9:09:47 PM	5
20	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)	4/25/2011 9:09:48 PM	5
21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than $0?	4/25/2011 9:09:48 PM	5
22	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) More Than $20 Per Student?	4/25/2011 9:09:48 PM	5
			80 Weighted Sum
			1 Multiplier Sum
			80 Score

DETERMINATION OF RATING

A.	Did The District Answer '**No**' To Indicators 1, 2, 3 Or 4? **OR** Did The District Answer '**No**' To Both 5 and 6? If So, The District's Rating Is **Substandard Achievement**.
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-22)

Superior Achievement	72-80 and Yes to indicator 7
Above Standard Achievement	64-71 or >= 72 and No to indicator 7
Standard Achievement	56-63
Substandard Achievement	<56 or No to one default indicator

INDICATOR 17 & 18 RATIOS

Indicator 17	Ranges for Ratios		**Indicator 18**	Ranges for Ratios	
District Size - Number of Students Between	Low	High	District Size - Number of Students Between	Low	High
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

OPTIONS

Update Unpassed | Update All | Lower Publication Level | Suspend

Suspension Reason.

Audit Home Page: School Financial Audits | Send comments or suggestions to schoolaudits@tea.state.tx.us

THE TEXAS EDUCATION AGENCY
1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

Date given Superintendent: 8-22-2011

Date returned by Superintendent: 8-22-2011

STATE OF TEXAS

COUNTY OF SCURRY

SUPERINTENDENT'S TERM CONTRACT

The BOARD OF TRUSTEES ("Board") of the SNYDER INDEPENDENT SCHOOL DISTRICT ("SISD") and Randy M. Brown ("Superintendent") pursuant to Section 11.201 of the Texas Education Code agree to the following terms and conditions of employment as Superintendent for Snyder ISD.

I. Term

1.1 The Superintendent shall be employed on a 12-month basis, for a term of 3 years, commencing on August 22, 2011 and ending on June 30, 2014. This contract is not for a specific number of days within a year, and there are no "non-duty" days under this contract.

1.2 SNYDER ISD may by action of the Board, and with the consent of the Superintendent, extend the term of this term contract once the Superintendent has completed one full year of service under this contract.

1.3 The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this term contract. No property interest, express or implied, is created in continued employment beyond the contract term.

II. Employment

2.1 *Duties.* The Superintendent is the educational leader and chief executive of the district and shall faithfully perform the duties of the Superintendent of Schools for the SISD, as prescribed by Texas law and in the adopted job description and as may be assigned by action of the Board, and shall comply with all lawful Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. The Superintendent shall perform the duties of the Superintendent of Schools for the SISD with reasonable care, diligence, skill, and expertise and shall devote substantially all of his time, skill, labor, and attention to his employment and the performance of these duties during the term of this term contract. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

2.1.a Specifically, it shall be the duty of the Superintendent to:

(1) Assume administrative responsibility and leadership for the planning, operation, supervision, and evaluation of the education programs, services, and facilities of the SISD and for the annual performance appraisal of the SISD's staff.

(2) Assume administrative authority and responsibility for the assignment and evaluation of all personnel other than the Superintendent.

(3) Oversee compliance with school facility standards.

(4) Make recommendations regarding selection of all SISD professional personnel, subject to Board approval.

(5) To the extent authorized by SISD policy, employ all other personnel.

(6) Initiate the termination or suspension of an employee's employment or the nonrenewal of an employee's term contract.

(7) Accept resignations for all employees, consistent with SISD policy.

(8) Manage the day-to-day operations of SISD as its administrative manager.

(9) Prepare and submit to the Board annually a proposed budget covering all estimated revenue and proposed expenditures of the SISD for the following fiscal year.

(10) Prepare recommendations for policies to be adopted by the Board and oversee the implementation of adopted policies.

(11) Develop appropriate administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the district consistent with the Board's lawful directives, the board's policies, and state and federal law.

(12) Provide leadership for the attainment of student performance based on the academic excellence indicators adopted by the State Board of Education and other indicators adopted by the Board of Trustees of SISD.

(13) Organize, reorganize, and arrange the staff and central administration of the district.

(14) Consult with the District-level site-based decision making committee.

(15) Ensure adoption and enforcement of a student code of conduct and other student disciplinary rules and procedures.

(16) Submit reports, as required by state or federal law, rule, or regulation.

(17) Provide joint leadership with the Board to ensure that the respective duties and responsibilities of superintendent and Board are carried out.

(18) Perform any other duties assigned by action of the Board.

2.2 *Professional Certification.* The Superintendent shall at all times during employment by SISD hold a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency or the State Board of Educator Certification and all other certificates required by law. The Superintendent represents that he has made written disclosure to the Board of any conviction for a felony or for any offense involving moral turpitude. The Superintendent shall also be subject to a criminal history record check, and his employment is contingent upon such results being favorable and consistent with information previously disclosed to the Board.

2.3 *Reassignment.* The Board may reassign the Superintendent to another position only if the Superintendent expressly consents in writing.

2.4 *Board Meetings.* The Superintendent shall attend all meetings of the Board, both open to the public and closed, except that the Superintendent generally shall be excluded from all or a portion of those closed meetings devoted to the consideration of any matter regarding the Superintendent's employment, the Superintendent's salary and benefits, and the Superintendent's evaluation and from those closed meetings devoted to interpersonal relationships between individual Board members. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

2.5 *Criticisms, Complaints.* Individual Board members shall refer to the Superintendent all substantive criticisms, complaints, and suggestions brought to their attention by employees or members of the public. The Superintendent shall look into the matter and direct a complainant to the appropriate policy for resolution of the complaint. When the matter is a substantive criticism or suggestion, the Superintendent shall investigate and make a report to the Board for its consideration.

III. Compensation and Benefits

3.1 *Salary.* During the first year of the contract, the SISD shall provide the Superintendent with an annual salary not less than $130,000.00. The annual salary shall be paid to the Superintendent in equal monthly installments consistent with the Board's policies.

3.2 *Salary Adjustments.* The Board will consider all compensation regularly and determine if increases are warranted by performance, longevity, and general economic conditions. Such adjustments, if any, shall be effective on the July 1 following approval of the adjustment and shall be in the form of a written addendum to this term contract or a new contract shall be issued. In no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract except by mutual agreement of the two parties, or in the event that the District, through lawful Board action, lowers the salaries of all other contract employees of the District. In such event, the Superintendent's salary may only be decreased in the exact same proportion as that of all other contract employees of the District.

3.3 *Health Care Benefits.* The District shall pay the premiums for hospitalization, major medical, and dental insurance coverage for the Superintendent and the Superintendent's dependent family members pursuant to the Level 2 group health care plan provided by the District through the Texas Teacher Retirement System ("TRS"). Should TRS discontinue or decrease the benefits available through the Level 2 group health care plan coverage during the term of this contract, the District agrees to provide the Superintendent and his dependent family with at least the same or similar level of health care benefits that would be in place on the effective date of this contract.

3.4 *Vacation, Holidays, Leave Benefit.* Subject to the Board's approval of the scheduling, the Superintendent may take 15 days of vacation each year of this contract; vacation in the first year of the contract is available after completing three months of service under this contract. These vacation days will be taken at times that will least interfere with the performance of the Superintendent's duties as set forth in this term contract. Unused vacation does not accumulate from year to year and cannot be converted into compensation at the termination of the employment relationship or any other time. The Superintendent shall observe the same holidays and breaks as provided by the Board's adopted annual calendar. The Superintendent shall be subject to the leave policies applicable to all employees as stated in adopted board policy.

3.5 *Moving Expenses.* SISD shall reimburse the Superintendent for expenses related to relocating to the District in an amount not to exceed $6000.00. All expenses shall be documented by receipts submitted to the SISD business office.

3.6 *Residence in District.* The Superintendent shall establish residence within the SISD no later than 90 days after the beginning date of this contract; however, an extension of up to an additional 90 days may be granted with consent of the Board president.

3.7 *Indemnification.* To the extent permitted by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District agrees to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, provided the incident(s) that is (are) the basis of any such demand, claim, suit, action, judgment, expense and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting in good faith within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suit, action, judgment, expense and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith. Upon such determination, Superintendent is liable to District for any amounts expended on his behalf; however, District and Superintendent agree that neither District nor Superintendent shall be liable to pay any costs, fees, expenses, or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District, if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel will depend on the terms of the applicable insurance contract. To the extent this Section 3.7 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, and the Texas Constitution, it shall be construed and modified accordingly. The provisions of this Section 3.7 shall survive the termination of this Contract.

3.7 *Civic Activities.* The Superintendent is encouraged to participate in community and civic affairs including chamber of commerce, civic clubs, governmental committees, and educational organizations. The cost of membership in such activities, if any and subject to Board approval in advance, shall be borne by the SISD.

3.8 *Professional Organizations.* The cost of membership in two professional organizations shall be borne by SISD.

IV. Annual Performance Goals

4.1 *Development of Goals.* The Superintendent, in cooperation with the District-Level Planning and Decision-Making Committee, shall submit to the Board each year, for its consideration and adoption, a preliminary list of goals for the SISD. The goals approved by the Board shall at all times be memorialized in writing and reflected in Board minutes or the Superintendent's annual

written evaluation and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated.

V. Review of Performance

5.1 *Time and Basis of Evaluation.* The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this term contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent. The Board, at its discretion, may evaluate and assess the performance of the Superintendent as many times during the year as it deems appropriate. The evaluation of the Superintendent shall at all times be conducted in closed meeting.

5.2 *Evaluation Format and Procedure.* The evaluation format and procedure shall be adopted by the Board in accordance with the Board's policies, and state law. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

VI. Renewal or Nonrenewal of Term Contract

6.1 *Renewal/Nonrenewal.* Contract renewal or nonrenewal shall be in accordance with Board policy and Section 21.212 of the Texas Education Code. It is expressly agreed by the parties that "loss of confidence in the Superintendent by the Board" shall be a valid ground for nonrenewal pursuant to Section 21.212 of the Texas Education Code.

6.2 *Appeal.* If the Superintendent is aggrieved by the Board's decision, he or she may appeal to the Commissioner of Education in accordance with Subchapter G, Chapter 21, of the Texas Education Code.

VII. Termination of Contract

7.1 *Mutual Agreement.* This term contract may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as are mutually agreed.

7.2 *Resignation.* The Superintendent may leave the employment of the district at the end of a school year without penalty by filing a written resignation with the Board not later than the 45th day before the first day of instruction of the following school year. The Superintendent may resign with the consent of the Board at any other time.

7.3 *Retirement or Death.* This term contract shall be terminated upon the retirement or death of the Superintendent.

7.4 *Dismissal or Suspension Without Pay for Good Cause.* The Board may dismiss the Superintendent, or suspend without pay for a period not to extend beyond the end of a school year, during the term of this term contract for good cause, defined generally as failure to perform duties or responsibilities within the scope of employment or as set forth under the terms and conditions of this term contract that a Texas school superintendent of ordinary prudence would have done under the same or similar circumstances. The Superintendent's actions or inactions within the scope of employment constitute good cause for termination if they are inconsistent with the

continued existence of the Board-Superintendent relationship. The following are examples of conduct and situations that may constitute "good cause," but the term is not limited in meaning by this list:

(1) Insubordination or failure to comply with lawful written or oral directives issued by action of the Board or failure to comply with Board policies;

(2) Any sexual misconduct with a student or employee or any conduct that endangers or has the potential to endanger the health or safety of one or more students or employees;

(3) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication when the Board has provided the Superintendent a reasonable opportunity to remediate any incompetence or inefficiency that is remediable;

(4) Neglect of duties;

(5) Drunkenness or excessive use of alcoholic beverages;

(6) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Dangerous Drug Act or the Texas Controlled Substances Act;

(7) Conviction of a felony or any crime involving moral turpitude; conviction of a lesser included offense pursuant to a plea when the original charged offense is a felony; deferred adjudication for a felony or any crime involving moral turpitude, when the conviction or deferred adjudication occurs during the term of employment;

(8) Failure to meet the SISD's standards of professional conduct;

(9) Failure to comply with reasonable SISD professional development requirements;

(10) Excessive absences, i.e., absences not in compliance with district policy or procedures, including applicable state and federal law.

(11) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the SISD. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;

(12) Failure to make a reasonable effort to achieve and maintain an effective working relationship or good rapport with parents, the community, or staff, unless the relationship or good rapport is not achieved or maintained due to no fault of the Superintendent;

(13) Failure to make a reasonable effort to achieve and maintain an effective working relationship or good rapport with the Board, for any reason, in its sole and final determination;

(14) Assault on an employee or student;

(15) Falsifying records or documents related to the SISD's activities;

(16) Misrepresentation of facts to the Board or other SISD officials in the conduct of the SISD's business; or

(17) Any other reason constituting "good cause" under Texas law.

7.5 *Termination or Suspension Without Pay Procedure.* In the event that the Board proposes to terminate this term contract or suspend the Superintendent without pay for "good cause," the Superintendent shall be afforded all the rights as set forth in Board policies, and Subchapter F, Chapter 21, of the Texas Education Code.

VIII. Miscellaneous

8.1 *Controlling Law.* This term contract shall be governed by and construed in accordance with the laws of the State of Texas and shall be performed in Scurry County, Texas, unless otherwise provided by law.

8.2 *Complete Agreement.* This term contract embodies the entire understanding between the parties and cannot be varied except by written agreement of the undersigned parties and Board approval of the new or additional writing at a lawfully called meeting. All existing term contracts, both oral and written, between the parties regarding the employment of the Superintendent are superseded by this term contract, and this term contract constitutes the entire agreement between the parties unless amended pursuant to this paragraph or other specific terms of this term contract.

8.3 *Conflicts.* In the event of any conflict between the terms, conditions, and provisions of this term contract and the provisions of the Board's policies or any permissive state or federal law, the terms of this term contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law, unless otherwise prohibited by law.

8.4 *Savings Clause.* In the event any one or more of the provisions contained in this term contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision, and this term contract shall be construed as if such invalid, illegal, or unenforceable provision had never been included.

EXECUTED at the City of Snyder, County of Scurry, and State of Texas, this 22nd day of August, 2011, pursuant to action of the Board of Trustees at a meeting held on August 22, 2011, for which there was a properly posted agenda that included an item related to employment of a superintendent.

SNYDER INDEPENDENT SCHOOL DISTRICT

By: _____

Richard Chambers, President Board of Trustees

ATTEST:

_____

Trent Driggers Board Secretary

_____

Randy M. Brown, Superintendent