

# Financial Integrity Rating System of Texas

## Lampasas ISD 2010-2011 District Status

**Rating:** Superior Achievement

|    |  |       |       | Possible |
|----|--|-------|-------|----------|
| #  | Indicator Description  | 09-10 | 10-11 | Points   |
| 1  | Was The Total Fund Balance Less Nonspendable and Restricted Fund Balance Greater Than Zero In The General Fund?  | Yes   | 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) | Yes   | Yes   |          |
| 3  | Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?  | Yes   | 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)?   | Yes   | Yes   |          |
| 5  | Was There An Unqualified Opinion in Annual Financial Report?   | Yes   | Yes   |          |
| 6  | Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?  | Yes   | Yes   |          |
| 7  | Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?   | 5     | 5     | 5        |
| 8  | 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     | 5     | 5        |
| 9  | 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 Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)                    | 2     | 1     | 5        |
| 10 | Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?  | 5     | 5     | 5        |
| 11 | Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)   | 5     | 5     | 5        |
| 12 | Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?   | 5     | 5     | 5        |
| 13 | 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     | 5     | 5        |
| 14 | 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)                  | 5     | 5     | 5        |
| 15 | Was The Administrative Cost Ratio Less Than The Threshold Ratio?   | 5     | 5     | 5        |
| 16 | Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?  | 5     | 5     | 5        |
| 17 | Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?   | 5     | 5     | 5        |

| #  | Indicator Description  | Score | Score | Score |
|----|--|-------|-------|-------|
| 18 | Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years? (If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points) | 5     | 5     | 5     |
| 19 | Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?   | 5     | 5     | 5     |
| 20 | Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?   | 5     | 5     | 5     |



## *How Ratings are Assessed*

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### Rating Worksheet

Preliminary ratings are to be released by Texas Education Agency in the summer of 2012. The Commissioner's Rules for School FIRST are contained in Title 19, Texas Administrative Code, Chapter 109, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System.

The questions a school district must address in completing the worksheet used to assess its financial management system can be confusing to non-accountants. The following is a layman's explanation of what the questions mean—and what your district's answers can mean to its rating.

#### **1. Was total Fund Balance less Nonspendable and Restricted Fund Balance greater than Zero in the General Fund?**

School districts must legally have a fund balance to ensure adequate funding for operations. This indicator is designed to ensure that your district has a positive amount of fund balance cash (savings) that is not designated or "restricted" for a specific purpose. In other words, "Does your district have funds set aside for a rainy day?"

#### **2. Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest for Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's Five-Year Percent Change in Students**

#### **was a 10% Increase or More then Answer Yes)**

This indicator simply asks, "Did the district's total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?" Fortunately this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and that total debt may exceed the total amount of assets under certain scenarios.

#### **3. Were there NO disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?**

This indicator seeks to make certain that your district has paid your bills/obligations on bonds issued to pay for school construction, etc.

#### **4. Was the Annual Financial Report filed within one month after the November 27 or January 28 deadline depending upon the district's Fiscal Year end date (June 30 or August 31)?**

A simple indicator. Was your Annual Financial Report filed by the deadline?

#### **5. Was there an Unqualified Opinion in the Annual Financial Report?**

A "qualification" on your financial report means that you need to correct some of your reporting or financial controls. A district's goal, therefore, is to receive an "unqualified opinion" on its

## ***How Ratings are Assessed***

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Annual Financial Report. This is a simple “Yes” or “No” indicator.

### **6. Did the Annual Financial Report NOT disclose any instance(s) of material weakness in internal controls?**

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed.

### **7. Was the three year average percent of total tax collections (including delinquent) greater than 98 percent?**

This indicator measures your district’s success in collecting the taxes owed to you by your community’s businesses and homeowners, placing a 98 percent minimum collections standard. You must collect based upon a three-year average more than 98% of your taxes, including any delinquent taxes owed from past years. A district earns up to five points under this indicator based upon its relative performance.

### **8. Did the comparison of PEIMS data to like information in the Annual Financial Report result in an aggregate variance of less than 3 percent of expenditures per fund type (Data Quality Measure)?**

This indicator measures the quality of data reported to PEIMS and in your

Annual Financial Report to make certain that the data reported in each case “matches up.” If the difference in numbers reported in any fund type is 3 percent or more, your district “fails” this measure.

### **9. Were Debt-Related Expenditures (net of IFA and/or EDA allotment) less than \$350 per student? (If the district’s five-year percent change in students was a 7 percent increase or more, or if property taxes collected per penny of tax effort were more than \$200,000, then the district receives 5 points.)**

This indicator shows the Legislature’s intent for school districts to spend money on education, rather than fancy buildings, by limiting the amount of money district’s can spend on debt to \$350 per student. Fortunately, the Legislature did allow for fast-growth schools to exceed this cap. A district earns up to five points under this indicator based upon its relative performance.

### **10. Was there NO disclosure in the Annual Audit Report of Material Noncompliance?**

NO disclosure means the Annual Audit Report includes no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.

### **11. Did the district have full accreditation status in relation to financial management practices? (e.g. no conservator or monitor assigned)**



## How Ratings are Assessed

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Did TEA take over control of your district due to financial issues such as fraud or having a negative fund balance? If not, you pass this indicator.

**12. Was the aggregate of Budgeted Expenditures and Other Uses LESS THAN the aggregate of Total Revenues, Other Resources and Fund Balance in General Fund?**

Did you overspend your budget? Your district will receive a negative rating on this measure if your total expenditures and other uses for the fiscal year exceeded your total funds available.

**13. If the district's Aggregate Fund Balance in the General Fund and Capital Projects Fund was LESS THAN zero, were construction projects adequately financed? (Were construction projects adequately financed or adjusted by change orders or other legal means to avoid creating or adding to the fund balance deficit situation?)**

Did you over-spend on school buildings or other capital projects? This indicator measures your district's ability to construct facilities without damaging your Fund Balance.

**14. 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, then the district receives 5 points)**

This indicator measures whether or not your district has sufficient cash and investments to balance Fund Balance monies such as TEA overpayments (deferred revenues). In other words, your District should have fund balance monies of its own that are at least equal to those dollars that are there due to overpayments from TEA, and you should not be spending "next year's" monies this year. A district earns up to five points under this indicator based upon its relative performance.

**15. Was the Administrative Cost Ratio less than the historic standard in State Law?**

This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIRST for districts of your size?

**16. Was the Ratio of Students to Teachers within the ranges shown below according to district size?**

This indicator measures your pupil-teacher ratio to ensure that it is within TEA recommended ranges for district's of your student population range. For example, districts with a student population between 500 and 999 should have no more than 22 students per teacher and no fewer than 10 students per teacher. A district earns up to five points under this indicator based upon its relative performance.

Indicator 16  
District Size – Ranges for Ratios



## How Ratings are Assessed

| No. of Students | Low  | High |
|-----------------|------|------|
| <500            | 7    | 22   |
| 500 – 999       | 10   | 22   |
| 1,000 – 4,999   | 11.5 | 22   |
| 5,000 – 9,999   | 13   | 22   |
| => 10,000       | 13.5 | 22   |

### 17. Was the Ratio of Students to Total Staff within the ranges shown below according to district size?

This indicator measures your pupil-staff ratio to ensure that it is within TEA-recommended ranges for district's of your student population range. For example, districts with a student population between 500 and 1,000 should have no more than 14 students per staff member and no fewer than 5.8 students per district employee. A district earns up to five points under this indicator based upon its relative performance.

| Indicator 17                       |                   |      |
|------------------------------------|-------------------|------|
| District Size –<br>No. of Students | Ranges for Ratios |      |
|                                    | Low               | High |
| <500                               | 5                 | 14   |
| 500 – 999                          | 5.8               | 14   |
| 1,000 – 4,999                      | 6.3               | 14   |
| 5,000 – 9,999                      | 6.8               | 14   |
| => 10,000                          | 7.0               | 14   |

### 18. Was the decrease in Unassigned Fund Balance less than 20% over two fiscal years? (If total Revenues exceeded Operating Expenditures in the General Fund, then the district receives 5 points)?

Are you “feeding off of your Fund Balance” to pay for salaries or other district operating expenses? This

indicator notes rapid decreases in your undesignated Fund Balance (those dollars not designated as a “land fund” or “construction fund”) or emergency fund. A district earns up to five points under this indicator based upon its relative performance.

### 19. Was the Aggregate Total of Cash and Investments in the General Fund more than \$0?

Does your district have cash in the bank, and/or investments?

### 20. Were Investment Earnings in all funds (excluding Debt Service Fund and Capital Projects Fund) Meet or Exceed the 3-Month Treasury Bill Rate?

Are you using your cash or reserve fund (Fund Balance) monies wisely? A district earns five points if the investment performance meets or exceeds the benchmark rate.

## Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2011

| For the Twelve-month<br>Period Ended 08-31-11 | Superintendent   | Board Member 1 | Board Member 2 | Board Member 3 | Board Member 4 | Board Member 5 | Board Member 6 | Board Member 7<br><i>Beginning<br/>May 2011</i> | Board Member 8<br><i>Ending<br/>May 2011</i> |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|---|--|
|   | Randall J. Hoyer | James Briggs   | Mark Bishop    | Dan Claussen   | Kirk Whitehead | Linda Floerke  | Ron Farr       | Shannon Kellner                                 | Wesley Crow                                  |
| Description of<br>Reimbursements              |                  |                |                |                |                |                |                |   |  |
| Meals   | 48.00            | -              | -              | 15.00          | 45.00          | -              | 15.00          | -   | -  |
| Lodging                                       | 223.40           | 418.64         | -              | 225.54         | 490.00         | -              | 245.00         | -   | -  |
| Transportation                                | 293.91           | -              | -              | 97.61          | 97.61          | -              | 97.61          | -   | -  |
| Motor Fuel                                    | -                | -              | -              | -              | -              | -              | -              | -   | -  |
| Other   | -                | -              | -              | -              | -              | -              | -              | -   | -  |
| Total   | \$ 565.31        | \$ 418.64      | \$ -           | \$ 338.15      | \$ 632.61      | \$ -           | \$ 357.61      | \$ -  | \$ -   |

### Other Disclosures:

The superintendent received no compensation from another school district of any other outside entity in exchange for professional or other personal services.  
No executive officer or board member received a gift that had an economic value of \$250 or more.

### Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2011

[illegible]



**Gifts received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2011**

[illegible]

## Business Transactions Between School District and Board Members for Fiscal Year 2011

| For the Twelve-month<br>Period Ended 08-31-11 | Superintendent   | Board Member 1 | Board Member 2 | Board Member 3 | Board Member 4 | Board Member 5 | Board Member 6 | Board Member 7<br><i>Beginning<br/>May 2011</i> | Board Member 8<br><i>Ending<br/>May 2011</i> |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|---|--|
|   | Randall J. Hoyer | James Briggs   | Mark Bishop    | Dan Claussen   | Kirk Whitehead | Linda Floerke* | Ron Farr       | Shannon Kellner                                 | Wesley Crow                                  |
|   |                  |                |                |                |                | 630.65         |                |   |  |
| Summary Amounts                               | \$ -             | \$ -           | \$ -           | \$ -           | \$ -           | \$ 630.65      | \$ -           | \$ -  | \$ -   |

\* Purchases were with Agro-Tech Services, Inc., a Corporation that is owned/operated by Linda Floerke.

## Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

### General Fund - First-Quarter Expenditures By Object Code

Report **2011-2012 first-quarter (first three months)** of fiscal year 2011-2012) GENERAL FUND expenditures by object code using whole numbers.

|  |                         |              |
|--|-------------------------|--------------|
| <b>Payroll-</b> Expenditures for payroll costs   | object codes 6110-6149  | \$ 4,926,975 |
| <b>Contract Costs-</b> Expenditures for services rendered by firms, individuals, and other organizations   | object code series 6200 | \$ 603,865   |
| <b>Supplies and Materials-</b> Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities | object code series 6300 | \$ 369,697   |
| <b>Other Operating-</b> Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay              | object code series 6400 | \$ 219,525   |
| <b>Debt Service-</b> Expenditures for debt service   | object code series 6500 | \$ -         |
| <b>Capital Outlay-</b> Expenditures for land, buildings, and equipment   | object code series 6600 | \$ 13,391    |

### Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district

- 1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and
- 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

|       |              |
|-------|--------------|
| Yes   | No           |
| _____ | <u>  X  </u> |
| _____ | <u>  X  </u> |

2) Has the school district declared financial exigency within the past two years?

|       |              |
|-------|--------------|
| _____ | <u>  X  </u> |
|-------|--------------|

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

| <u>Mean Enroll-to-Teacher Ratio</u> | <u>85% of Mean Enroll-to-Teacher Ratio</u> | <u>School District Size</u> |
|-------------------------------------|--|-----------------------------|
| 8.39                                | 7.13                                       | Under 100                   |
| 9.48                                | 8.06                                       | 100 to 249                  |
| 10.73                               | 9.12                                       | 250 to 499                  |
| 11.48                               | 9.76                                       | 500 to 999                  |
| 12.45                               | 10.58                                      | 1,000 to 1,599              |
| 13.52                               | 11.50                                      | 1,600 to 2,999              |
| 14.29                               | 12.15                                      | 3,000 to 4,999              |
| 14.80                               | 12.58                                      | 5,000 to 9,999              |
| 14.88                               | 12.65                                      | 10,000 to 24,999            |
| 15.01                               | 12.76                                      | 25,000 to 49,999            |
| 15.06                               | 12.80                                      | 50,000 and Over             |

No significant issues.

4) How many superintendents has your school district had in the last five years?

  2  

5) How many business managers has your school district had in the last five years?

  1

Date given Superintendent: February 6, 2012

Date returned by Superintendent: February 6, 2012

STATE OF TEXAS

COUNTY OF LAMPASAS

### **SUPERINTENDENT'S TERM CONTRACT**

The BOARD OF TRUSTEES ("Board") of the LAMPASAS INDEPENDENT SCHOOL DISTRICT ("LISD") and Randall J. Hoyer ("Superintendent") pursuant to Section 11.201 of the Texas Education Code agree to the following terms and conditions of employment as Superintendent for LISD.

#### **I. Term**

- 1.1 The Superintendent shall be employed on a 12-month basis, for a term of 3 years, commencing on July 1, 2012 and ending on June 30, 2015. This contract is not for a specific number of days within a year, but no less than 230 days, and there are no "non-duty" days under this contract.
- 1.2 LISD may by action of the Board, and with the consent of the Superintendent, extend the term of this term 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 LISD and shall faithfully perform the duties of the Superintendent of Schools for the LISD, 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 Board directives, state and federal law, LISD 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 LISD 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.
- 2.2 *Professional Certification.* The Superintendent shall at all times during employment by LISD 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, unless a majority of the Board determines that the Superintendent should be excluded. 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.
- 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.
- 2.6 *Residence.* The Superintendent agrees to move into the LISD boundaries no later than August 1, 2009, and live within the LISD boundaries for the duration of his employment with the LISD.

### **III. Compensation and Benefits**

- 3.1 *Salary.* LISD shall provide the Superintendent with an annual salary not less than \$142,532. 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.
- 3.3 *Vacation, Holidays, Leave Benefit.* Subject to the Board's approval of the scheduling, the Superintendent may take ten days of vacation each year of this contract; vacation in the first year of the contract is available after completing six 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.
- 3.4 *Insurance.* The LISD shall pay the same premium for hospitalization and any other coverage for the Superintendent as provided by the District to all other employees.
- 3.5 *Automobile.* The LISD shall reimburse the Superintendent for out of LISD UIL District travel incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The reimbursement will be at the rate determined by LISD and within IRS rules. The LISD shall also provide a stipend of \$500 per month for a car allowance for the Superintendent.

- 3.6 *Professional Growth.* The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the LISD. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at and participation in appropriate professional meetings at the local, regional, state, and national levels. The Board encourages the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the LISD. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such seminars, courses, or meetings. The LISD does hereby agree to provide in the LISD's budget during the term of this Contract for the benefit of the Superintendent, a professional development budget per contract year to be used for registration, travel, meals, lodging, and other related expenses. The LISD shall pay the Superintendent's membership dues to two professional associations.
- 3.7 *Civic Activities.* The Superintendent is encouraged to participate in community and civic affairs. The reasonable expenses of such activities shall be borne by the LISD for one (1) civic organization.
- 3.8 *Outside Consultant Activities.* With the prior consent of the Board, the Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching, or other professional duties and obligations outside the LISD (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the LISD. The Superintendent may accept a reimbursement of expenses and/or be paid an honorarium for such Consulting Services at no expense to the LISD. Consulting Services provided by the superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

#### **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 LISD. 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.

#### **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 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 LISD 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.
- 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, including any conduct that is inconsistent with the continued existence of the Board-Superintendent relationship. The following are examples of conduct and situations which may constitute "good cause," but the term is not limited in meaning by this list:
- (1) Insubordination or failure to comply with 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 LISD's standards of professional conduct;
- (9) Failure to comply with reasonable LISD professional development requirements;
- (10) Excessive absences, i.e., absences not in compliance with LISD 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 LISD. 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 the Board's sole and final determination;
- (14) Assault on an employee or student;
- (15) Falsifying records or documents related to the LISD's activities;
- (16) Misrepresentation of facts to the Board or other LISD officials in the conduct of the LISD'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 the laws of the State of Texas and shall be performed in Lampasas 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.

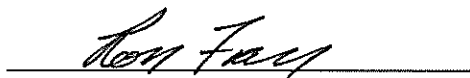
EXECUTED at the City of Lampasas, County of Lampasas and State of Texas, this 6<sup>th</sup> day of February, 2012, pursuant to action of the Board of Trustees at a meeting held on February 6, 2012, for which there was a properly posted agenda that included an item related to employment of a superintendent.

LAMPASAS INDEPENDENT SCHOOL DISTRICT

By: 

President Board of Trustees

ATTEST:



Board Secretary



Superintendent