

School FIRST
Public Hearing
November 17, 2015

Proposed Financial Accountability Rating System

SB 218 – 2001

School FIRST

- Financial
- Integrity
- Rating
- System of
- Texas

Goal

- To achieve improved performance in the management of school districts' financial resources.
- This report is for the 2013-14 fiscal year.
- Thirteenth year of FIRST Reporting

- 
- 7 Indicators
 - District must hold public hearing to discuss ratings
 - Improvement in financial management in many schools have been identified since the initiation of School First in 2003

Requirements

- Every school district in Texas is required to prepare an annual financial management report that includes:
 - FIRST Rating
 - Additional information required by the Commissioner of Education

Additional Information Required

- Superintendent's Contract
- Reimbursements received by superintendent and board members
- Outside compensation/fees received by Superintendent for professional consulting
- Gifts received by executive officers and board members
- Business transactions between school district and board members

District Ratings

A. Did the District Answer “No” To Indicators 1, 2, 3, or 4? If so, The District’s Rating is **Substandard Achievement**.

B. Determine Rating By Applicable Range for Summation of the Indicator Scores (Indicator 5-7)

Pass	16-30
Substandard Achievement	< 16

Bastrop ISD

Final Rating from TEA

- Pass
 - Yes to Indicators 1 – 4
 - Score 30 out of 30

Key Indicators

Bastrop ISD Results

Indicators 1-4

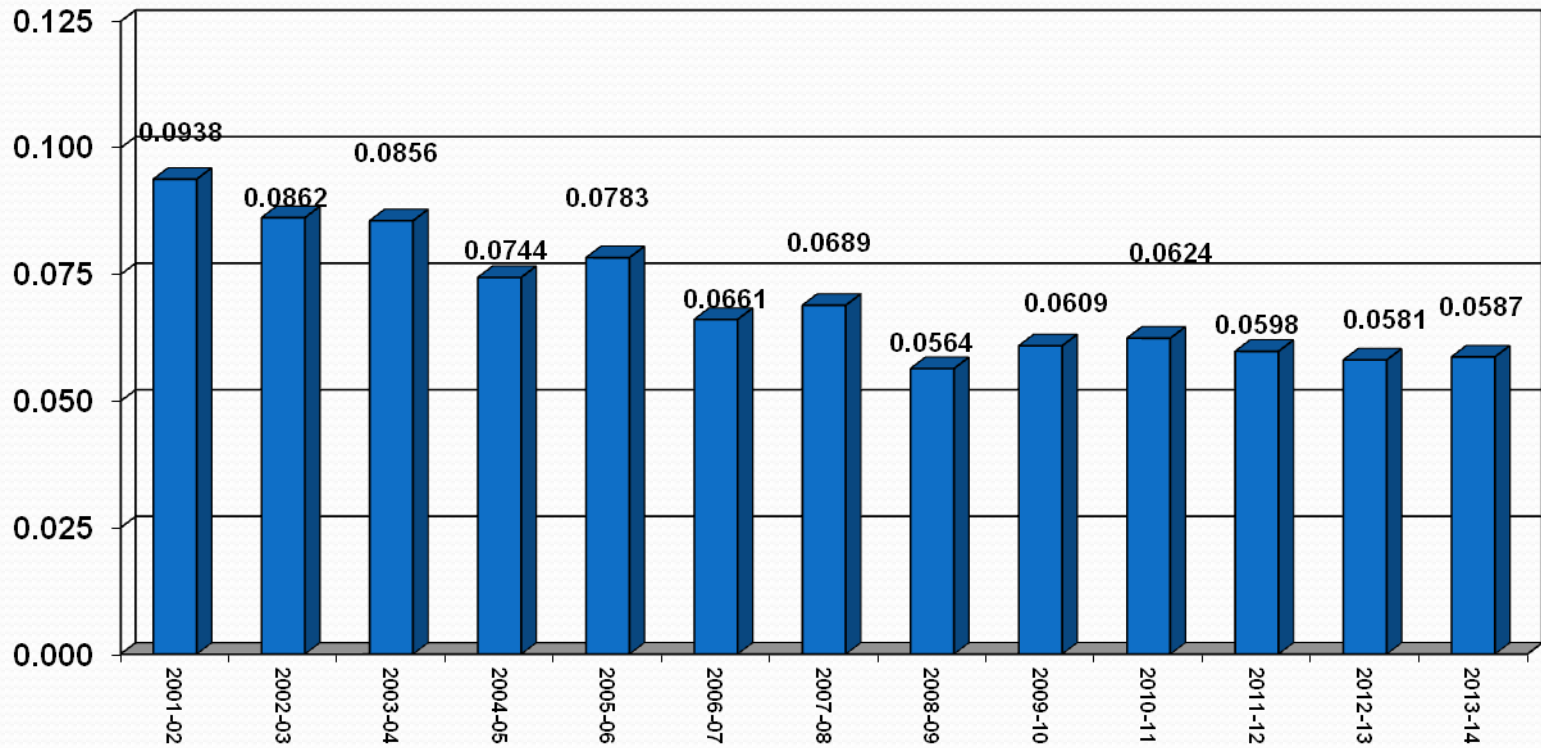
- Complete annual financial report and data submitted to TEA within 30 days of the November 27 deadline
- Clean Audit
- No Default Disclosures
- Total unrestricted net assets was greater than zero

Was the Administrative Cost Ratio Less Than the Standard in State Law?

Acceptable .10

BASTROP ISD .0587

FIRST Administrative Cost Ratio History



Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?

Bastrop ISD - < 3%

Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

BASTROP ISD

No weak internal controls

For Additional Information Contact

Sandra Callahan, CFO
scallahan@bisdtx.org

512-772-7105



Board of Trustees

School FIRST Public Hearing

November 17, 2015

**Bastrop Independent School District
906 Farm Street
Bastrop TX 78602
512-772-7100**

Bastrop ISD earns state's highest fiscal accountability rating

District makes perfect score, marks 13th consecutive honor

Bastrop – Bastrop ISD earned the maximum number of points possible and received a rating of “P” for “Passed” on the state’s financial accountability system, the School Financial Integrity Rating System of Texas (FIRST), marking the 13th consecutive year the district has earned the state’s highest rating.

“We are very proud to receive the state’s highest rating once again,” Chief Financial Officer Sandra Callahan said. “This rating shows financial stability and transparency in the district, and that Bastrop ISD is accountable for not only our students’ education, but also for providing that education while being good stewards of our taxpayers’ dollars.”

The district received a perfect score, earning 30 points on seven financial indicators, including administrative cost expenditures; the accuracy of a district’s financial information submitted to the Texas Education Agency; and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor.

Bastrop ISD spends 62 percent of its \$80.6 million budget on instruction, and has an administrative cost ratio of 0.05 percent - less than half of the state’s recommended 0.1105 percent. The district also had no material weaknesses in its annual audit and met all bond payments.

“We truly work hard every day to ensure the district is making the most of our taxpayers’ dollars,” Callahan said. “I’m so proud for the district, and want to thank the entire finance department for the hard work that helps makes this rating possible.”

Created by the 77th Texas Legislature in 2001, the School Financial Integrity Rating System of Texas (FIRST) is designed to encourage public schools to better manage their financial resources in order to provide the maximum allocation possible for direct instructional purposes.

The 2014-2015 ratings are based on annual financial reports provided to TEA by districts and charters from the 2014 fiscal year. The financial accountability system requires TEA to review the audited financial reports from all districts and charters. All school districts and charters are required to report information and financial accountability ratings to parents and taxpayers. In addition, school districts and charters must hold a public discussion or hearing regarding its financial report.

**FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS
2013-14 DISTRICT STATUS**

	INDICATOR DESCRIPTION	RESULT	DISTRICT DETAIL
1	Was complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date June 30th or August 31st, respectively?	PASSED	Filed 11/19/2014
2	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	PASSED	Clean Audit
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	PASSED	No Default Disclosures
4	Was the Total Unrestricted Net Asset Balance (net of Accretion of Interest on Capital Appreciation Bonds) in the Governmental Activities Column of the State of Net Assets Greater than Zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	PASSED	Total Unrestricted Net Asset + Accretion of Interest on CAB's \$25,891,057
5	Was The Administrative Cost Ratio Less Than The Threshold Ratio?	10 Points	Acceptable - .10 - Bastrop - .0587
6	Did The Comparisons Of PEIMS Data To Like Information In AFR Result in a total variance of less than 3 percent of all expenditures by function	10 Points	0
7	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weaknesses.)	10 Points	No Weak Internal Controls

School FIRST - Rating Worksheet Calculations Dated August 2015 for Rating Year 2015-2016		
	Indicator	Calculation Defined
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	No Calculation Involved
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.	The school district must pass 2.A
2.A	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	No Calculation Involved
2.B	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	No Calculation Involved
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	No Calculation Involved
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.)	For TRS and TWC, if not cleared within 30 days. For the IRS and other governmental agencies there is no calculation involved. The agency will use the AFR, warrant holds, information from the IRS and other sources to make a determinations of timely payments.
5	Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	$(A - B) / B \geq C$ OR $(D + E + F) > 0$, where A = Number of students in membership in year 5 from base year; B = Number of students in membership in base year; C = Threshold for 5 year percent change in students in membership, which = 10%; D = Total unrestricted net asset balance in the governmental activities column in Exhibit A-1 (Statement of Net Assets) in the annual financial report; E = Accretion of interest for capital appreciation bonds; F = Pension Expense and Net Pension Liability (NPL), as applicable
6	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	$[(A + B) / (C - D - E)] * 365$, where A = Cash & Equivalents; B = Current Investments; C = Total Expenditures; D = Facilities Acquisition and Construction E = Pension Expense and NPL, as applicable
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	A / B , where A = Current Assets B = Current Liabilities

8	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	$A - B / C$, where A = Long Term Liabilities B = Pension Expense and NPL, as applicable C = Total Assets
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?	$[A / (B - C - D) - 1] > 0$, where A = Total Revenue B = Total Expenditures C = Facilities Acquisition and Construction D = Pension Expense and NPL, as applicable
10	Was the debt service coverage ratio sufficient to meet the required debt service?	$(A - B + C + D) / C$, where A = Total Revenue; B = Total Expenditures; C = Debt Service (function codes 71, 72, and 73) D = Fund Code 599 (Debt Service fund balance) E = Pension Expense and NPL, as applicable
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	$A > B$, where A = Acceptable administrative cost ratio; B = Administrative cost ratio of the school district, which = (sum of amounts for function codes 21 and 41) / (sum of amounts for function codes 11, 12, 13, and 31) *Includes object codes 61XX-64XX in fund code 199, except 6144
12	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)	$(A / B) - 1 > -0.15$ or $C - D > 0$, where A = Student to Staff ratio in the year under review; B = Student to Staff ratio 3 years prior to the year under review; C = Enrollment in year under review; D = Enrollment 3 years prior to the year under review
13	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?	$(A / B) < C$, where A = Sum of the absolute values of all differences in expenditures (determined by function) between Exhibit C-2 (Statement of Revenues, Expenditures, and Changes in Fund Balance) and PEIMS, by function in Fund Code 199; B = Sum of expenditures in PEIMS by function in fund code 199; C = Threshold level variance, which = 3%
14	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	No Calculation Involved
15	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds as a result of a financial hardship?	No Calculation Involved

School FIRST - Rating Worksheet Calculations Dated August 2015 for Rating Year 2016-2017		
	Indicator	Calculation Defined
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	No Calculation Involved
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.	The school district must pass 2.A
2.A	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	No Calculation Involved
2.B	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	No Calculation Involved
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	No Calculation Involved
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.)	For TRS and TWC, if not cleared within 30 days. For the IRS and other governmental agencies there is no calculation involved. The agency will use the AFR, warrant holds, information from the IRS and other sources to make a determinations of timely payments.
5	Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	$(A - B) / B \geq C$ OR $(D + E + F) > 0$, where A = Number of students in membership in year 5 from base year; B = Number of students in membership in base year; C = Threshold for 5 year percent change in students in membership, which = 10%; D = Total unrestricted net asset balance in the governmental activities column in Exhibit A-1 (Statement of Net Assets) in the annual financial report; E = Accretion of interest for capital appreciation bonds; F = Pension Expense and Net Pension Liability (NPL), as applicable
6	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	$[(A + B) / (C - D - E)] * 365$, where A = Cash & Equivalents; B = Current Investments; C = Total Expenditures; D = Facilities Acquisition and Construction E = Pension Expense and NPL, as applicable
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	A / B , where A = Current Assets B = Current Liabilities

8	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	<u>A - B / C, where</u> A = Long Term Liabilities B = Pension Expense and NPL, as applicable C = Total Assets
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?	<u>[A / (B - C - D) - 1] > 0, where</u> A = Total Revenue B = Total Expenditures C = Facilities Acquisition and Construction D = Pension Expense and NPL, as applicable
10	Was the debt service coverage ratio sufficient to meet the required debt service?	<u>(A - B + C + D) / C, where</u> A = Total Revenue; B = Total Expenditures; C = Debt Service (function codes 71, 72, and 73) D = Fund Code 599 (Debt Service fund balance) E = Pension Expense and NPL, as applicable
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	<u>A > B, where</u> A = Acceptable administrative cost ratio; B = Administrative cost ratio of the school district, which = (sum of amounts for function codes 21 and 41) / (sum of amounts for function codes 11, 12, 13, and 31) *Includes object codes 61XX-64XX in fund code 199, except 6144
12	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)	<u>(A / B) - 1 > -0.15 or C - D > 0, where</u> A = Student to Staff ratio in the year under review; B = Student to Staff ratio 3 years prior to the year under review; C = Enrollment in year under review; D = Enrollment 3 years prior to the year under review
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14	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	No Calculation Involved
15	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds as a result of a financial hardship?	No Calculation Involved

School FIRST Annual Financial Management Report

BASTROP INDEPENDENT SCHOOL DISTRICT

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(o). Effective 8/6/2015. The template has been established to help the districts in gathering their data and presenting it at their School FIRST hearing. The template may not be all inclusive.

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

For the Twelve-Month Period
Ended June 30, 2014

Description of Reimbursements	Superintendent	Board					Board Member 7	
		Member 1	Member 2	Member 3	Member 4	Member 5		Member 6
Meals	165.18	61.58	0	0	66.92	0	90.48	13.50
Lodging	2440		0	0	466.66	0	462.94	421.54
Transportation	3523.65	114.24	0	0	244.08	0	114.24	-
Motor Fuel	265.48		0	0	0	0	0	-
Other	2425.14	350	0	50	298	0	350	330.00
Total	\$8,819.45	\$525.82	\$0.00	\$50.00	\$1,075.66	\$0.00	\$1,017.66	\$765.04

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:
 Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, 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.

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

For the Twelve-Month Period
 Ended June 30, 2014

Name(s) of Entity(ies)

Amount Received
 \$

None

Total

\$0.00

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
 Ended June 30, 2014

	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note - 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.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
 Ended June 30, 2014

	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

SUPERINTENDENT'S EMPLOYMENT CONTRACT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF BASTROP §

THIS AGREEMENT ("Contract") is made and entered into effective the 1st day of February 2015 by and between the Board of Trustees (the "Board") of the Bastrop Independent School District (the "District") and Steve Murray ("Superintendent").

WITNESSETH:

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201 and Chapter 21, Subchapter E of the Texas Education Code, have agreed, and do hereby agree, as follows:

I. Term

1.1 **Employment.** The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term of three years commencing on February 1, 2015 and ending on January 31, 2018. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law. Failure to reissue the Contract for an extended term shall not constitute non-renewal under Board policy.

1.2 **No Right of Tenure.** The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this 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 chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by 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 adopted or amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, re-organize, and arrange the staff of the District, and to develop and establish 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. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and

responsibility of the Superintendent.

2.2 Professional Certification. The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification and all other certificates required by law. Failure of Superintendent to possess and maintain such certification shall constitute an act of breach of contract by Superintendent, and shall be grounds for termination of this Agreement.

2.3 Reassignment. The Superintendent may not be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

2.4 Board Meetings. Unless otherwise prohibited by law, the Superintendent shall attend, and shall be permitted to attend, all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to: (a) the consideration of any action or lack of action on the Superintendent's Employment Contract; (b) discussion of the Superintendent's salary and/or benefits; (c) discussion of the Superintendent's performance, appraisal or evaluation; (d) discussion for purposes of resolving conflicts between individual Board members; or (e) deliberations in those meetings where the Board is acting in its capacity as a tribunal.

2.5 Criticisms, Complaints, and Suggestions. The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent for study and appropriate action, and the Superintendent shall investigate such matters and inform the Board of the results of such action.

2.6 Legal Defense. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree 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, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or criminal conduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith, with conscious indifference or reckless disregard; and excluding 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 provided for him will depend on the terms of the applicable insurance contract. To the extent this paragraph 7 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. No individual member of the Board shall be personally liable for indemnifying and defending the Superintendent under this Section 2.6. The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in any proceedings. The Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The provisions of this Section 2.6 shall survive the termination of this contract.

III. Compensation

3.1 **Salary.** The District shall provide the Superintendent with an annual base salary in the sum of Two hundred forty-five thousand five hundred ninety three dollars (\$245,593).

3.2 **Salary Adjustments.** At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but 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. Such adjustments, if any, shall be made pursuant to a lawful Board resolution. In such event, the parties agree to provide their best efforts and reasonable cooperation to execute a new contract incorporating the adjusted salary.

3.3 **Expenses.** The District agrees to pay the actual and incidental costs incurred by the Superintendent for "out-of-district" travel; such costs may include, but are not limited to, reimbursement of mileage at the standard IRS rate, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of the District. The District agrees to pay reasonable local civic club fees and dues, and professional membership fees and dues to state and national level educational organizations. The Superintendent shall comply with all procedures and documentation in accordance with Board policies. The Superintendent has the discretion to attend professional conferences at the state and national levels that do not interfere with the performance of his duties as Superintendent.

3.4 **Vacation/Illness/Holidays.** The Superintendent may take, at the Superintendent's choice, with prior notice to the Board President, the same number of days of vacation per year during the term of this Contract as authorized for other professional employees on 12-month contracts. Vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall have the same illness and personal leave days and benefits, and shall observe the same legal holidays, as authorized for other professional employees on 12-month contracts.

3.5 **Consulting Work and Continuing Education.** The Superintendent may, with prior written consent of the Board, undertake consulting work, speaking engagements, writing, lectures, and other professional duties and obligations that do not conflict or interfere with the Superintendent's professional services to the District or result in any financial cost to the District. If the Superintendent receives any compensation for any such consulting work, speaking engagements, writing, lectures and other activities authorized by this Section, he shall take vacation days or personal leave for any such days. Additionally, the Board shall permit a reasonable amount of time for the Superintendent, as determined by the Board and the Superintendent, to attend seminars, courses and meetings for continuing education and professional enhancement.

3.6 **Residency.** The Superintendent agrees to live in the District during his term as Superintendent. It is the understanding of the parties to this Contract that the Superintendent shall move his family to the District as soon as it is reasonably feasible to do so, and that the Superintendent's family shall live in the District during the term of this Contract.

3.7 **Annual Physical.** The Superintendent agrees to have a comprehensive medical examination, at District expense, by a physician acceptable to both the Board and the Superintendent, once a year, and to obtain a statement certifying that the Superintendent is physically able to perform his essential job functions with or without reasonable accommodation. This statement shall be filed with the President of the Board.

IV. Annual Performance Goals

4.1 **Development of Goals.** The Superintendent shall submit to the Board each year, for the Board's consideration and adoption, a preliminary list of goals for the District. The goals approved by the Board shall at all times be reduced to writing 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 Contract ("Superintendent's evaluation"). The Superintendent's evaluation instrument and process shall be developed and/or revised with input from the Superintendent and shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.

5.2 **Confidentiality.** Unless the Board and the Superintendent expressly agree otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

5.3 **Evaluation Format and Procedures.** The evaluation format and procedure shall be in accordance with the evaluation instrument selected by the Board in accordance with the provisions of Article V of this Contract, the Board's policies, and state and federal 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 Employment Contract

6.1 **Renewal/Nonrenewal.** Renewal or nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, Subchapter E, and applicable law. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice not later than the 60th day before the last day of the Contract term, containing reasonable notice of the reason(s) for the proposed nonrenewal of the Superintendent's Contract with the District consistent with District policy and state law.

VII. Termination of Employment Contract

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

7.2 **Retirement or Death.** This Contract shall be terminated upon the retirement or death of the Superintendent.

7.3 **Dismissal for Good Cause.** The Board may dismiss the Superintendent during the term of the Contract for good cause. The term "good cause" is defined as follows:

- a. Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- b. Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetence or inefficiency;
- c. Insubordination or failure to comply with lawful written Board directives;
- d. Failure to comply with written Board Policies or District administrative regulations;
- e. Neglect of duties;
- f. Drunkenness or excessive use of alcoholic beverages;
- g. Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
- h. Conviction of a felony or crime involving moral turpitude;
- i. Failure to meet the District's standards of professional conduct;
- j. Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- k. Disability, not otherwise protected by law, that substantially impairs the Superintendent's performance of required duties;
- l. Immorality, which is conduct not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency or depravity;
- m. Assault on an employee or student;
- n. Knowingly falsifying records or documents related to the District's activities;
- o. Conscious misrepresentation of material facts to the Board or other District officials in the conduct of the District's business;
- p. Failure to fulfill requirements for superintendent certification;
- q. Failure to fulfill the requirements of a deficiency plan under an Emergency Plan;

r. Any other reason constituting "good cause" under Texas law.

7.4 **Termination Procedure.** In the event the Board proposes the termination of this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies, and state and federal law.

7.5 **Resignation of Superintendent.** 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. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following year. The Superintendent may resign, with the consent of the Board, at any other time.

Article VIII. Miscellaneous

8.1 **Controlling Law.** This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the State of Texas and shall be performable in Bastrop County, Texas, unless otherwise provided by law.

8.2 **Complete Agreement.** This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein.

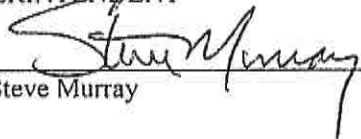
8.3 **Conflicts.** In the event of any conflict between the terms, conditions and provisions of this Employment Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over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

8.4 **Savings Clause.** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

BASTROP
INDEPENDENT SCHOOL DISTRICT

By: 
President, Board of Trustees - James Allen

SUPERINTENDENT

By: 
Steve Murray

Executed this 23rd day of January, 2015.

** (Authorization given to President, Board of Trustees to sign employment contract for Superintendent, on behalf of the Bastrop Independent School District Board of Trustees, per Board action on January 20, 2015.)