



# SMSD

**Stafford Municipal School District**

*"The Best Little School District in Texas"*



## FISCAL YEAR 2018-2019 ANNUAL FINANCIAL MANAGEMENT REPORT



tea.texas.gov



4. Will TEA turn off certain FIRST indicators like audit submission deadline, budget compared to actual, days of cash on hand, pupil projections, decline in students, etc.? *Posted March 30, 2020*

The agency is aware of this concern and will review the data and make the necessary adjustments, if there are significant impacts to the financial performance of districts and charter schools.

NEW  
10/21/20

5. How does a district or charter school comply with the location and participation requirements for holding a public hearing on its annual financial management report after receipt of its final FIRST rating, in light of the COVID-19 pandemic? *NEW October 21, 2020*

A district or charter school may hold a virtual hearing and take virtual testimony in conformance with COVID-19 resources and guidelines published by the Office of the Attorney General and Texas Department of Information Resources. TEA will consider a hearing held in conformance with such resources and guidelines as compliant with the hearing location and participation requirements of 19 TAC §109.1001(q)(4). The district must, however, continue to follow all other hearing-related and notice requirements of the rule.

## INTRODUCTION

Senate Bill (SB) 218 of the 77<sup>th</sup> Legislature (2001) authorized the implementation of a financial accountability rating system, officially referred to as Schools FIRST (Financial Integrity Rating System of Texas) for Texas public school districts. The primary goal of Schools FIRST is to improve the management of school districts' financial resources.

Beginning with fiscal year 2006-2007, the financial accountability rating of a school district was based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in the subsection entitled School FIRST Rating.

The disclosure worksheets used in this report were developed by representatives of the Texas Education Agency, the Texas Business & Education Coalition, and the Texas Association of School Business Officials. Other information regarding the District's financial accountability is also included.



The **SMSD** Business Office continues to meet the indicators and standards set by the Texas Education Agency in an effort to provide accountability and transparency of all public funds in the most efficient manner.



**PURPOSE OF THE ANNUAL FINANCIAL MANAGEMENT REPORT – AFMR**

- Ensures that entities:
  - Will be held accountable for the quality of their financial management practices.
  - Will achieve improved performance in the management of their financial resources.
- Discloses the quality of local management and decision-making processes that impact the allocation of their financial resources.
- Encourages local management to better manage their financial resources.

**REQUIRED DISCLOSURES –BASIS IN LAW**

According to Section 109.1005 of the Texas Administrative Code:

- a. Each school district is required to report information and financial accountability ratings to parents and taxpayers by implementing the following reporting procedures.
  1. Each school district is required to prepare and distribute an annual financial management report in accordance with subsection (b) of this section.
  2. The public must be provided an opportunity to comment on the report at a public hearing in accordance with subsection (c) of this section.
- b. The annual financial management report prepared by the school district must include:
  1. A description of the district's financial management performance based on comparison, provided by the Texas Education Agency (TEA), of the district's performance on the indicators established by the commissioner of education and reflected in §109.1002 of this title (relating to Financial Accountability Ratings). The report will contain information that discloses:
    - a. State-established standards
    - b. The district's financial management performance under each indicator for the current and previous years' financial accountability ratings.
  2. Any descriptive information required by the commissioner of education, including:
    - a. A copy of the Superintendent's current employment contract.
    - b. A summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member, including transactions resulting from use of the department's credit card(s) to cover expenses incurred by the superintendent and each board member.
    - c. 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 outside entity in exchange for professional consulting and/or other professional services.
    - d. A summary schedule for the fiscal year of the total dollar amount by executive officers and board members of gifts that had an economic value of \$100 or more in the aggregate fiscal year.
    - e. A summary schedule for the fiscal year of the total dollar amount by board members for the aggregate amount of business transactions with the school district.
    - f. A summary schedule of the data submitting using the electronic-based program developed under the financial solvency provisions of Texas Education Code, §39.0822
3. Any other information the board of trustees of the district determines to be useful.

RATING YEAR **2019-2020**DISTRICT NUMBER **district #****Select An Option****Help****Home****Financial Integrity Rating System of Texas****2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL**

|  |  |
|--|--|
| <b>Name:</b> <b>STAFFORD MSD(079910)</b> | <b>Publication Level 1:</b> 8/6/2020 9:26:37 AM  |
| <b>Status:</b> <b>Passed</b>             | <b>Publication Level 2:</b> 8/6/2020 11:17:34 AM |
| <b>Rating:</b> A = Superior              | <b>Last Updated:</b> 8/6/2020 11:17:34 AM        |
| <b>District Score:</b> 90                | <b>Passing Score:</b> 60                         |

| #   | Indicator Description   | Updated              | Score                  |
|-----|---|----------------------|------------------------|
| 1   | <u>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?</u>   | 3/30/2020 1:14:37 PM | Yes                    |
| 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.   |                      |                        |
| 2.A | <u>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.)</u>  | 3/30/2020 1:14:37 PM | Yes                    |
| 2.B | <u>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.)</u>  | 3/30/2020 1:14:38 PM | Yes                    |
| 3   | <u>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.)</u> | 3/30/2020 1:14:38 PM | Yes                    |
| 4   | <u>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?</u>   | 3/30/2020 1:14:38 PM | Yes                    |
| 5   | This indicator is not being scored.   |                      |                        |
|     |   |                      | 1<br>Multiplier<br>Sum |
| 6   | <u>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)? (See ranges below.)</u>   | 3/30/2020 1:14:39 PM | 10                     |
| 7   | <u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u>  | 3/30/2020 1:14:39 PM | 10                     |
| 8   | <u>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 increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator. See ranges below.</u>   | 3/30/2020 1:14:40 PM | 4                      |
| 9   | <u>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>   | 3/30/2020 1:14:40 PM | 10                     |
| 10  | <u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>  | 3/30/2020 1:14:41    | 10                     |

|    |   |                            |                        |
|----|---|----------------------------|------------------------|
|    |   | PM                         |                        |
| 11 | <u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>   | 3/30/2020<br>1:14:42<br>PM | 6                      |
| 12 | <u>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> | 3/30/2020<br>1:14:42<br>PM | 10                     |
| 13 | <u>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?</u>                          | 3/30/2020<br>1:14:44<br>PM | 10                     |
| 14 | <u>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.)</u>             | 3/30/2020<br>1:14:44<br>PM | 10                     |
| 15 | <u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u>  | 3/30/2020<br>1:14:44<br>PM | 10                     |
|    |   |                            | 90<br>Weighted<br>Sum  |
|    |   |                            | 1<br>Multiplier<br>Sum |
|    |   |                            | 90 Score               |

## DETERMINATION OF RATING

|   |  |        |
|---|--|--------|
| <b>A.</b>   | Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned. |        |
| <b>B.</b>   | Determine the rating by the applicable number of points. (Indicators 6-15)   |        |
|   | <b>A = Superior</b>  | 90-100 |
|   | <b>B = Above Standard</b>  | 80-89  |
|   | <b>C = Meets Standard</b>  | 60-79  |
|   | <b>F = Substandard Achievement</b>   | <60    |
| <b>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</b> |  |        |

Home Page: [Financial Accountability](#) | Send comments or suggestions to [FinancialAccountability@tea.texas.gov](mailto:FinancialAccountability@tea.texas.gov)

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

FIRST 5.9.1.0

# ANNUAL FINANCIAL MANAGEMENT REPORT

## FISCAL YEAR 2018-2019



(A) Superintendent's contract-reproduced in full, beginning on page 15.

(B) Reimbursements received by Superintendent & Board Members:

| DESCRIPTION               | BOSTIC      | CALDWELL   | HERRERA    | HAMIRANI   | JEAN-BAPTISTE | LACY-CASTILLE | HOLSAPPLE  | HINOJOSA   |
|---------------------------|-------------|------------|------------|------------|---------------|---------------|------------|------------|
| MEALS                     | \$155.73    | \$1,104.00 | \$1,432.03 | \$368.00   | \$1,104.00    | \$368.00      | \$368.00   | \$644.00   |
| LODGING                   | 5,572.62    | 2,310.41   | 2,163.28   | 692.70     | 2,353.40      | 422.84        | 859.39     | 2,083.55   |
| TRANSPORTATION            | 3,102.60    | 1,341.83   | 490.79     | 230.84     | 1341.83       | 316.68        | 230.84     | 1,332.99   |
| BOARD MEMBER COMPENSATION | 0.00        | 0.00       | 0.00       | 0.00       | 0.00          | 0.00          | 0.00       | 0.00       |
| OTHER                     | 60,557.23   | 1,705.00   | 955.00     | 555.00     | 1,705.00      | 895.00        | 680.00     | 1,865.00   |
| TOTAL:                    | \$69,388.18 | \$6,461.24 | \$5,041.10 | \$1,846.54 | \$6,504.23    | \$2,002.52    | \$2,138.23 | \$5,925.54 |

Arturo Jackson (former Board Member) Meals \$125.

\*Other Includes registration fees, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above. The other category for the Superintendent includes conference fees, memberships, and miscellaneous expenses such as: \$53,977 in benefits and \$4,861 membership fees payments on behalf of the Superintendent.

(C) Outside compensation and/or fees received by Superintendent for professional consulting and/or other personal services:

NONE

(D) Gifts\* received by Superintendent, Board Members, or first-degree relatives, if any:

\*Gifts that had a value of \$150 or more in the aggregate in the fiscal year.

| <b>Bostic</b> | <b>Caldwell</b> | <b>Herrera</b> | <b>Hamirani</b> | <b>Jean-Baptiste</b> | <b>Lacy-Castille</b> | <b>Holsapple</b> | <b>Hinojosa</b> |
|---------------|-----------------|----------------|-----------------|----------------------|----------------------|------------------|-----------------|
| NONE          | NONE            | NONE           | NONE            | NONE                 | NONE                 | NONE             | NONE            |

(E) Business transactions between SMSD and Board Members:

| <b>Caldwell</b> | <b>Herrera</b> | <b>Hamirani</b> | <b>Jean-Baptiste</b> | <b>Lacy-Castille</b> | <b>Holsapple</b> | <b>Hinojosa</b> |
|-----------------|----------------|-----------------|----------------------|----------------------|------------------|-----------------|
| NONE            | NONE           | NONE            | NONE                 | NONE                 | NONE             | NONE            |



# ANNUAL FINANCIAL MANAGEMENT REPORT

## FISCAL YEAR 2018-2019



(F) Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822:

| Account Title          | Description   | Object Code Series | Amount      |
|------------------------|---|--------------------|-------------|
| Payroll                | Expenditures for payroll  | 6110-6149          | \$5,117,210 |
| Contract Costs         | Expenditures for services rendered by firms, individuals, and other organizations   | 6200               | 640,162     |
| Supplies and Materials | Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities | 6300               | 398,424     |
| Other Operating        | Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay       | 6400               | 880,589     |
| Debt Service           | Expenditures for debt service   | 6500               | -           |
| Capital Outlay         | Expenditures for land, buildings, and equipment   | 6600               | -           |

**Note:** General Fund - First Three Months of fiscal year 2019-2020

### 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,
- 2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund

Yes    No

X

X

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

X

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.

Not Applicable. The District continues to move forward servicing SMSD student and community.

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

1

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

1



**1. Was the Annual Financial Report completed in a timely manner?**

Pursuant to Texas Education Code, FISCAL MANAGEMENT-Chapter 44.008, ANNUAL AUDIT REPORT:”. The annual audit report must be approved by the board...not later than the 180th day after the end of the fiscal year for which the audit was made.”

**YES.** The Annual Financial Report for the fiscal year ended August 31, 2019 was approved by the SMSD Board of Trustees on January 13, 2020—within the timeframe mandated in law.

**YES**  
(Indicator was met)

|   | <u>FY 2019</u>       | <u>FY 2018</u>       |
|---|----------------------|----------------------|
| <b>Date presented to the Board of Trustees:</b> | <b>Jan. 13, 2020</b> | <b>Jan. 22, 2019</b> |

**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.**

**2A. Was there an unmodified opinion in the Annual Financial Report?**

An ‘unmodified opinion’ in the report would have meant that corrections were not needed in some of the reporting or financial controls. The school district’s goal, therefore, is to receive an ‘unmodified opinion’ on its report.

**YES.** The independent auditors expressed an UNMODIFIED opinion on the Annual Financial Report for the fiscal year ending August 31, 2019.

**FY 2019**  
The independent audit firm of  
Weaver and Tidwell, LLP  
issued an **UNMODIFIED opinion**

**FY 2018**  
The independent audit firm of  
Weaver and Tidwell, LLP  
issued an **UNMODIFIED opinion**

**2B. Did the Annual Financial Report not disclose any instance(s) of material weaknesses in internal controls?**

Internal control weaknesses create a risk that the school district would not be able to properly account for its use of public funds and should be immediately addressed. An independent audit is required to state if the entity had material weaknesses.

**YES.** August 31, 2019, there were no material weaknesses in internal controls reported in the Annual Financial Report.

**YES (Indicator was met)**

**FY 2019**

**FY 2018**

**Material Weaknesses      No Disclosure      No Disclosure**

**3. Was the school district in compliance with the payment terms of all agreements at fiscal year end?**

**YES,** the SMSD was in compliance with all agreements in FY 2019 and FY 2018.

**YES (Indicator was met)**

**4. Did the school district make timely payments to the Teachers Retirement Systems (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?**

**YES,** all payments were made on a timely basis as required in FY 2019 and FY 2018.

**YES (Indicator was met)**

**5. Was the total unrestricted net position balance in the statement of net position greater than \$0?**

**YES (Indicator was met)**

**FY 2019**

**FY 2018**

**Unrestricted Net  
Position  
(Based on Govt Wide  
Financial Statements –  
Accrual Method)**

**Not Scored**

**Not Scored**

**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)?**

**YES**, the number of days of cash on hand and current investments in the general fund were sufficient to cover operating expenditures.

**YES**  
**(Indicator was met)**  
**SMSD days of cash on hand**  

|                    |                    |
|--------------------|--------------------|
| <u><b>FY19</b></u> | <u><b>FY18</b></u> |
| <b>187</b>         | <b>167</b>         |

**7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?**

**YES**, the measure of current assets to current liabilities ratio for the school district was sufficient to cover short-term debt.

**YES**  
**(Indicator was met)**  

|              |                    |                    |
|--------------|--------------------|--------------------|
|              | <u><b>FY19</b></u> | <u><b>FY18</b></u> |
| <b>Ratio</b> | <b>6.6%</b>        | <b>12.3%</b>       |

**8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long term solvency?**

**YES**, the ratio of long-term liabilities to total assets for the school district sufficient to support long term solvency.

**YES**  
**(Indicator was met)**  

|              |                    |                    |
|--------------|--------------------|--------------------|
|              | <u><b>FY19</b></u> | <u><b>FY18</b></u> |
| <b>Ratio</b> | <b>81%</b>         | <b>86%</b>         |



9. Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?

**YES**, the district's general fund revenues equal or exceed expenditures ( excluding facilities acquisition and construction).

**YES**  
(Indicator was met)

|                              | <u>FY19</u> | <u>FY18</u> |
|------------------------------|-------------|-------------|
| Revenue over<br>Expenditures | \$2,506,618 | \$755,834   |

10. Was the debt service coverage ratio sufficient to meet the required debt service?

**YES**, the debt service coverage ratio was sufficient to meet the required debt service.

**YES**  
(Indicator was met)

|       | <u>FY19</u> | <u>FY18</u> |
|-------|-------------|-------------|
| Ratio | 1.69        | 1.92        |

11. Was the school district's administrative cost ratio equal to or less than the threshold ratio?

**YES**, SMSD's administrative cost was equal to or less than the threshold ratio.

**YES**  
(Indicator was met)

|             | <u>FY19</u> | <u>FY18</u> |
|-------------|-------------|-------------|
| Admin Ratio | 15.8%       | 15.1%       |

12. Did the school district **NOT** have a 15 percent decline in the student to staff ratio over 3 years?

**YES**, the school district did not have a 15 percent decline in the student to staff ratio over 3 years.

**YES**  
(Indicator was met)

| <u>FY 2019</u> | <u>FY 2018</u> |
|----------------|----------------|
| Yes            | Yes            |

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?

**YES**, SMSD’s data to like information in the school district’s AFR results in a total variance of less than 3 percent of all expenditures by function.

**YES**  
(Indicator was met)

|              | <u>FY19</u> | <u>FY18</u> |
|--------------|-------------|-------------|
| % Difference | 0%          | .89%        |

14. Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contract, and laws related to local, state, or federal funds?

**YES**, The audit report did not identify any instances of material noncompliance for FY19 and FY18.

**YES**  
(Indicator was met)

15. Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

**YES**, The district did not receive an adjusted repayment schedule for for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds as a result of a financial hardship.

**YES**  
(Indicator was met)



**ANNUAL FINANCIAL  
MANAGEMENT  
REPORT**  
**FISCAL YEAR 2018-2019**



**SUPERINTENDENT'S CONTRACT**

## SUPERINTENDENT'S EMPLOYMENT CONTRACT

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

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 8<sup>th</sup> day of May, 2014, by and between the Board of Trustees (the "Board") of the Stafford Municipal School District (the "District") and Dr. Robert Bostic (the "Superintendent").

### WITNESSETH:

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

#### I. Term

1.1 **Term.** 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 an initial term of three (3) years, one month, and twenty-three (23) days, commencing on May 8, 2014, and ending on June 30, 2017. Each contract year shall consist of 226 days, beginning July 1st and ending June 30<sup>th</sup> of each respective year. 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.

1.2 **No 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 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, reorganize, 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 or the Texas Education Agency and any other certificates required by law.

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

**2.4 Board Meetings.** 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 the consideration of any action or lack of action on the Superintendent's Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

**2.5 Criticisms, Complaints, and Suggestions.** The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.

**2.6 Indemnification.** 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 committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; 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 Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. 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 salary in the sum of ONE HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$175,000.00). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

**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 Vacation, Holiday and Personal Leave.** The Superintendent may take, at the Superintendent's choice, ten (10) days of vacation annually, the days to be taken in a single period or at different times. The 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. Accrued but unused vacation days, up to a maximum of 10 days annually, shall accumulate and carry forward from year to year during the term of this Contract. The Superintendent's accrued and unused vacation days and personal leave days may be accumulated from year-to-year and carried over into subsequent years of this Contract up to a ten (10) day limit. In other words, under this paragraph, in addition to what the Superintendent is eligible for in a particular contract year, a maximum of ten (10) additional accrued and unused vacation days and personal days will be available for use by the Superintendent in each respective contract year. In the absence of any subsequent written agreement specifically approved and signed by the Board, regardless of any current or future board policy relevant to compensation for leave days upon separation from employment, as part of the consideration of this Contract, the Superintendent is not entitled to any monetary compensation for any outstanding unused leave days upon his separation from employment with the District.

**3.4 Insurance.** The Superintendent is personally responsible for any and all insurance premiums for hospitalization/major medical/health insurance, including dental and vision insurance, coverage for the Superintendent, his spouse and dependents.

**3.5 Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. 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 shall encourage 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 District. 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 District does hereby agree to provide in the District'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 District shall pay the Superintendent's membership dues to the American Association of School Administrators and the Texas Association of School Administrators, as well as other memberships necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable cost and expense for such attendance and membership.

**3.6 Civic Activities.** The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of his duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board in writing of the activity. The Board will notify the Superintendent if the activity presents a conflict or interferes with the performance of his duties as Superintendent. The District shall reimburse the Superintendent for the cost of membership in all local civic organizations in which the Superintendent participates and related travel outside of the District, subject to advance Board approval.

**3.7 Outside Consultant Activities.** The Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the District (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

**3.8 Expenses.** The District shall pay or reimburse the Superintendent for reasonable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel. Such actual or incidental costs may include, but are not limited to, gasoline, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

**3.9 Mobile Telephone, Computer, Internet Access – Allowances.** The District shall pay the Superintendent the sum of One Hundred Fifty and No/100 Dollars (\$150.00) per month for a mobile telephone/computer and internet access allowance in order to provide the Superintendent with internet access and a mobile telephone with nationwide coverage for his business and personal use.

**3.10 Laptop Computer.** The District shall provide a laptop computer for the Superintendent's business and personal use, at the sole cost and expense of the District. The Superintendent may, in the Superintendent's discretion, purchase a new replacement laptop computer every two years during the term of this Contract for the advantages offered by the then current laptop computer technology.

**3.11 Relocation Expense.** The District shall provide a one-time payment of ten thousand dollars (\$10,000) for moving and relocation expenses. This will be paid within fifteen (15) business days of the execution of this Contract.

**3.12 Transition Allowance.** The District acknowledges that there will be a transition period between the commencement of Superintendent's employment duties in the District on May 12, 2014 and the completion of Superintendent's employment duties in the Denton Independent School District (DISD) on or about June 6, 2014 ("Transition Period"). To accommodate Superintendent's temporary housing and travel requirements during the Transition Period the District shall provide a transition housing and transportation allowance as follows:

- (a) The District shall reimburse Superintendent for temporary housing at a rate not to exceed \$115.00 daily plus applicable sales and occupancy taxes; and
- (b) The District shall reimburse Superintendent for his mileage expense to travel from the District to DISD and back.
- (c) The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

**3.12 Residency Requirement.** As a condition of this Contract, the Superintendent shall establish and maintain permanent residence within Fort Bend County, Texas on or before August 1, 2014 and throughout the term of this Contract.

#### **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 ("District Goals") and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board agrees to work with and support the Superintendent in achieving the District Goals.



## **V. Review of Performance**

5.1 **Time and Basis of Evaluation.** The Board shall formally evaluate and assess in writing the performance of the Superintendent at least once annually in June or other mutually agreed upon month during each year of this Contract. The evaluation and assessment shall be reasonably related to the Superintendent's duties as outlined in the Superintendent's job description, the District's goals, and lawful Board directives. The Superintendent shall provide a written reminder to the Board of its evaluation obligation at least 30 days prior to the Regular Called Board Meetings in June or other mutually agreed upon month. The evaluation format and procedure shall comply with Board policy and state and federal law. The Superintendent may provide written information to the Board for consideration in the evaluation. In consideration of possible contract extension, the Board may also perform a mid-year review of the Superintendent's job performance during the month of January of each respective contract year.

5.2 **Confidentiality.** Unless the Superintendent expressly requests 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 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/Nonrenewal or Extension of Employment Contract**

6.1 **Renewal/Nonrenewal.** Renewal and/or nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, Subchapter E, and applicable law.

6.2 **Extension.** At any time during the Contract term, the Board may, in its discretion, with the consent and approval of the Superintendent, extend the term of this Contract, as permitted by state law. Failure to extend the term of this Contract shall not constitute nonrenewal under Board policy.

## **VII. Termination of Employment Contract**

7.1 **Mutual Agreement.** This Contract may 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 incompetency or inefficiency;
- (c) Insubordination or failure to comply with lawful written Board directives;
- (d) Failure to comply with the Board's policies or the District's 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 impairs performance of the required duties of the Superintendent;
- (l) Immorality, which is conduct the Board determines is 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 facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification; or,
- (q) Any other reason constituting "good cause" under Texas law.

**7.4 Termination Procedure.** In the event that the Board terminates 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.

### VIII. Miscellaneous

8.1 **Controlling Law.** This Contract shall be governed by the laws of the State of Texas and shall be performable in Fort Bend 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 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.

STAFFORD MUNICIPAL SCHOOL DISTRICT

By: \_\_\_\_\_  
President, Board of Trustees

Executed this 7<sup>th</sup> day of May, 2014.

SUPERINTENDENT

By: \_\_\_\_\_  
Dr. Robert Bostic

Executed this 7<sup>th</sup> day of May, 2014.



**SEVENTH AMENDMENT TO**  
**SUPERINTENDENT'S EMPLOYMENT CONTRACT**

THE STATE OF TEXAS           §  
  §     KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF FORT BEND       §

WHEREAS, the Board of Trustees ("Board") of the Stafford Municipal School District, met on January 14, 2019, February 11, 2019, December 16, 2019, and June 17, 2020;

WHEREAS, at the meetings held on January 14, 2019, February 11, 2019, December 16, 2019, and June 17, 2000, the District, pursuant to his Contract of Employment ("Contract"), offered Dr. Robert Bostic an amendment to his Contract;

WHEREAS, Dr. Bostic accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Section 8.2 of the Contract, the Board and Dr. Bostic agree as follows:

I.

Section 1.1. of the Superintendent's Contract of Employment executed on May 8, 2014 and as amended is amended as follows:

- 1.1     **Term.** 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 from today through June 30, 2024. Each contract year shall consist of 226 days, beginning July 1st and ending June 30<sup>th</sup> of each respective year. 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.

II.

Section 2.6. of the Superintendent's Contract of Employment executed on May 8, 2014 and as amended is amended as follows:

- 2.6 **Indemnification.** To the extent it may be permitted to do so 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 reasonable attorneys' fees incurred in any legal proceedings or legal actions 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 reasonable 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 reasonable 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; 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 may be made by the Superintendent if such legal counsel is not provided by the District and/or provided through insurance coverage maintained by the District. The Superintendent shall provide written notice within ten (10) days to the Board President and District's school attorney, if the Superintendent selects an attorney pursuant to this paragraph. As noted, a legal defense may be provided through insurance coverage, in which case Superintendent's right to select legal counsel provided for him will be subject to and depend solely on the terms of the applicable insurance contract. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.6 shall survive the termination of this Contract.

Section 3.14 of the Superintendent's Contract of Employment executed on May 8, 2014 and as amended is amended and Section 3.16 is added as follows:

- 3.14 **Supplemental Compensation: Section 403(b) or 457 Tax Sheltered Plan.** The Superintendent maintains and participates in qualified tax-sheltered annuity/retirement plan under United States Internal Revenue Code Section 403(b) and/or 457. On behalf of the Superintendent, if the Superintendent continues to be employed by the District as of July 1<sup>st</sup> of each respective contract year listed below, and if the Superintendent receives a satisfactory rating on his annual performance review under the goals and objectives established by the Board for the year being reviewed, then the Board shall make an annual contribution to the Superintendent's existing 403(b) or 457 plan in amounts as follows:

| <u>On or Before July 1st</u> | <u>Amount</u> |
|------------------------------|---------------|
| 2019                         | \$10,000.00   |
| 2020                         | \$12,500.00   |
| 2021                         | \$15,000.00   |

The Board's contribution(s) to the plan plus future earnings are fully vested with the Superintendent on July 1, 2021 if he continues to be employed on July 1, 2021 (otherwise funds remain/revert back to the District). To fully resolve any and all issues related to paragraph 3.14 of the 4<sup>th</sup> Amendment and the waiver of any rights thereto, the parties also agree and understand that the Board shall also pay to the Superintendent's existing 403(b) or 457 plan or directly to the Superintendent as supplemental pay, at the Superintendent's written election, the additional amount of \$10,000.00. The Superintendent's written election regarding this \$10,000.00 payment shall be presented to the Stafford MSD CFO no later than June 18, 2020 at 9:00 a.m., and payment is to be made on June 18, 2020. If the Superintendent elects that the \$10,000 be paid into his existing 403(b) or 457 plan, then those funds shall immediately fully vest with the Superintendent upon deposit.

In addition, on behalf of the Superintendent, if the Superintendent continues to be employed by the District as of July 1<sup>st</sup> of each respective contract year listed below, and if the Superintendent receives a satisfactory rating on his annual performance review under the goals and objectives established by the Board for the year being reviewed, then the Board shall make an annual contribution to the Superintendent's existing 403(b) or 457 plan in amounts as follows:

| <u>On or Before July 1st</u> | <u>Amount</u> |
|------------------------------|---------------|
| 2022                         | \$17,000.00   |
| 2023                         | \$20,000.00   |
| 2024                         | \$22,500.00   |

The Board's contribution(s) to the plan plus future earnings are fully vested with the Superintendent on June 30, 2024, if he continues to be employed on June 30, 2024 (otherwise funds remain/revert back to the District).

- 3.16 **Additional Supplemental Pay related to Performance.** In August of 2020, if the Superintendent receives a satisfactory rating on his annual performance review under the goals and objectives established by the Board for the 2019-20 school year, and if any state-rated Stafford MSD campus, based on state assessment results for the 2019-2020 school year, achieves an "A" rating or "B" rating by the Texas Education Agency Accountability Rating System, a one-time supplemental pay related to performance will be made in August of 2020 to the Superintendent for each state-rated Stafford MSD campus in the following fashion:

**Campus Rating**

**Payment Amount**

A

\$10,000.00

B

\$5,000.00

In addition, if all state-rated Stafford MSD campuses achieve an "A" rating by the Texas Education Agency, based on state assessment results for the 2019-2020 school year, the Board agrees to pay the Superintendent an additional one-time supplemental performance payment in the amount of \$20,000 (Twenty Thousand Dollars and No/100 Dollars) in August of 2020. The one-time supplement payment(s) for services rendered as Superintendent related to performance shall be paid to the Superintendent by August 31, 2020 if the criteria outlined above is met, and shall be reported as creditable compensation by the District for purposes of TRS.

This Amendment is fully effective on June 17, 2020 upon final execution of the signatures listed below.

EXECUTED this 17<sup>th</sup> day of June, 2020.

BOARD OF TRUSTEES  
STAFFORD MUNICIPAL SCHOOL DISTRICT

By: 

Mr. Christopher Caldwell  
President, Board of Trustees

By: 

Dr. Robert Bostic  
Superintendent of Schools



# Thank You

## Dropout Prevention



**Recognized**

## Digital Learning



**Recognized**

## Community and Parental Involvement



**Recognized**

## Fine Arts



**Recognized**

## Community & Student Engagement

In accordance with House Bill 5 (HB5), as passed by the 83<sup>rd</sup> Texas Legislature, the district and each campus are required to assess the quality of specific programs and services in order to determine a rating of Exemplary, Recognized, Acceptable and Unacceptable. A local committee of stakeholders determined both criteria and ratings.

**Stafford MSD Overall Rating: RECOGNIZED**

*For additional information, please contact:*

Dedrea Norman, CPA Chief Financial Officer

Phone: 281-261-9361 | email: [dnorman@staffordmsd.org](mailto:dnorman@staffordmsd.org)

Sonya Austin

Assistant to the Superintendent

Phone: 281-261-9200 | email: [saustin@staffordmsd.org](mailto:saustin@staffordmsd.org)