

**Sweeny Independent School District
Sweeny, Texas**

**2016 Annual Financial
Management Report – Schools FIRST**

For the Year Ending August 31, 2015



Randy Miksch, Superintendent of Schools

Amy Pope, Asst. Superintendent of Curriculum, Compliance, & Special Programs

Amy Carter, Financial Services

**SWEENEY INDEPENDENT SCHOOL DISTRICT
SCHOOLS FIRST REPORT FOR 2014-15**

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Introduction

During the 77th regular session of the Texas Legislature (2001), Senate Bill 218 was passed and signed it into law shortly thereafter. This law requires every school district to prepare an annual financial accountability report. The primary goal of School FIRST is to improve the management of school districts' financial resources. The primary objective of the rating system is to assess the quality of financial management in Texas public schools. A secondary objective is to measure and report the extent of which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect the implementation of a rating system that fairly and equitably evaluates the quality of financial management decisions. Ratings are based on analysis of staff and student data and on budgetary and actual financial data for the fiscal year.

Many business-related issues are covered in this report. The primary reporting tool, however, is the Financial Accountability Ratings Worksheet. Representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC) and the Texas Association of School Business Officials (TASBO) developed this worksheet. It is administered by TEA and calculated on information submitted to the Agency via our PEIMS submission each year and other documentation procured by TEA. The accuracy of PEIMS data has always been critical on the student side of the submission, and this reporting requirement adds a high degree of importance to our finance submission each year.

Starting in the 2005-2006 fiscal year, the financial management report issued at the School FIRST hearing must contain certain required disclosures, in accordance with Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules concerning Financial Accountability Rating System. Those disclosures are as follows: (1) a copy of the Superintendent's current employment contract, (2) a summary schedule for the fiscal year of total reimbursements received by the superintendent and each board member, (3) a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services, (4) a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members and board members of gifts that had an economic value of \$250 or more, (5) a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transaction with the school district.

Another change for the 2006-2007 fiscal year is one indicator was moved, three indicators were deleted, one indicator was added, and three indicators were modified. In 2009-2010 fiscal year two indicators were deleted. In 2010-11 fiscal year two more indicators were deleted (related to academic rating and fund balance requirements) and two were modified (tax collections are now measured on a three year average instead of one and investment earnings baseline is the 3-Month Treasury Bill instead of \$20 per student).

In 2013-2014 fiscal year, thirteen indicators were removed, reducing the number of indicators from 20 to 7 and reducing the total number of possible points from 70 to 30. Also, the Rating system scale was changed to either Pass or Substandard Achievement.

In 2014-2015 fiscal year, eight indicators were added, increasing the number from 7 to 15 and increasing the total number of possible points from 30 to 100. Also, the Rating system scale was changed to an A – F grading system from a Pass or Substandard Achievement rating.

Sweeny ISD's 2016 rating under School FIRST for the year ended August 31, 2015 was "A = Superior Achievement," with a score of 98 of 100 or 98 percent. This report briefly describes data used to calculate the rating and what each indicator means.



Financial Integrity Rating System of Texas

2015-2016 RATINGS BASED ON SCHOOL YEAR 2014-2015
DATA - DISTRICT STATUS DETAIL

Name: SWEENY ISD(020906)	Publication Level 1: 8/8/2016 6:20:16 PM
Status: Passed	Publication Level 2: 8/8/2016 6:20:16 PM
Rating: A = Superior	Last Updated: 8/8/2016 6:20:16 PM
District Score: 98	Passing Score: 31

#	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>	3/16/2016 2:45:53 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>	3/16/2016 2:45:53 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>	3/16/2016 2:45:53 PM		No
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 (=</u>	3/16/2016 2:45:54 PM		Yes

	<u>person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>		
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>	3/16/2016 2:45:54 PM	Yes
5	<u>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.)</u>	3/16/2016 2:45:54 PM	Yes
			1 Multiplier 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>	8/4/2016 1:28:07 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>	6/30/2016 1:17:57 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 change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.) (See ranges below.)</u>	8/4/2016 1:28:07 PM	10
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>	8/4/2016 1:28:07 PM	10
10	<u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u>	8/4/2016 1:28:08 PM	10
11	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	3/16/2016 2:45:57 PM	8
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>	3/16/2016 2:45:57 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>	3/16/2016 2:45:57 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>	3/25/2016 1:55:41 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>	3/24/2016 4:22:59 PM	10
			98 Weighted Sum
			1 Multiplier Sum
			98 Score

DETERMINATION OF RATING

A.	Did the district answer 'No' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	70-100
	B = Above Standard	50-69
	C = Meets Standard	31-49
	F = Substandard Achievement	<31

Overview of the Worksheet

Indicator # 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?

School districts with a fiscal year end of August 31st must legally submit their annual audit report to TEA via the TEASE website portal within 30 calendar days of the January 28th deadline.

Sweeny ISD’s annual audit report was successfully submitted through TEASE within the time allotted.

Indicator # 2A – 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.)

This indicator simply asks, “Did the district’s external auditors find a material weakness or misstatement in the financial accounting statements or procedures.

Sweeny ISD’s external auditors issued an unmodified opinion, meaning we had a clean audit.

Indicator # 2B - 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.)

Sweeny ISD’s external auditors reported weaknesses but those issues have been addressed.

Indicator # 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.)

This indicator seeks to make certain that the District has paid its bills/obligations on debt obligations issued to pay for school construction and the like.

Sweeny ISD has had no instances of default on bonded indebtedness obligations.

Indicator # 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?

This indicator simply asks, “Did the District meet the various timelines for payments to various governmental agencies?”

Sweeny ISD’s made timely payments to all listed governmental agencies.

Indicator # 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.)

This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?

Sweeny ISD’s district’s total assets exceeded the total amount of liabilities.

Indicator # 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)?

To receive the maximum of 10 points, districts must have enough cash and equivalents to cover at least 90 days of expenditures. Sweeny ISD had enough to cover 126.43 days as of August 31, 2015.

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

To receive the maximum of 10 points, districts current assets must be 3 times greater than current liabilities. Sweeny ISD’s ratio of current assets to current liabilities was 3.2691 as of August 31, 2015.

Indicator # 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.)

To receive the maximum of 10 points, districts ratio of long term liabilities to total assets must be no greater than .6. Sweeny ISD’s ratio of long-term liabilities to total assets was .4814 as of August 31, 2015.

Indicator # 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?

Although expenditures exceeded revenues for the year ended August 31, 2015, the District met the acceptable days of cash on hand, therefore Sweeny ISD received 10 points.

Indicator # 10 – Was the debt service coverage ratio sufficient to meet the required debt service?

This indicator looks at the following financial components to ensure the combination of revenues and fund balance are adequate to cover bond payments.

Field	Value
(Total Revenues	19,562,150
- Total Expenditures	20,339,472
+ Debt Service (function codes 71, 72, and 73)	2,941,283
+ Fund Code 599 (Debt Service fund balance)	1,445,634
+ Function Code 81	0
)	
/ Debt Service (function codes 71, 72, and 73)	2,941,283

Mathematical Breakdown: 1.2272

RESULT DETERMINATION REFERENCE

DETERMINATION OF POINTS

10	8	6	4	2	0
>=1.20	<1.20 >=1.15	<1.15 >=1.10	<1.10 >=1.05	<1.05 >=1.00	<1.00

Indicator # 11 – Was the school district’s administrative cost ratio equal to or less than the threshold ratio?

TEA and state law sets a cap on the percentage of their budget that Texas school districts can spend on administration based on district size. For districts in Sweeny’s ISD category, the administrative cost ratio should fall below 11.51 percent. Sweeny’s ratio for the 2014-2015 school year was 13.65 percent, or 2.14 percent above the state cap. Sweeny ISD earned 8 out of 10 points on this indicator.

Indicator # 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.)

Enrollment dropped from 1919 in 2013 to 1903 in 2014-15. Total number of staff grew from 245.2558 to 249.6346 over the same period. District received 10 points.

Indicator # 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?

This indicator measures the quality of data reported to TEA through the Public Education Information Management System (PEIMS) and in the Annual Financial Report to make certain that the data reported in each case “matches up”. If the difference in numbers reported in any fund type is more than 3 percent, the district “fails” this measure.

Sweeny ISD’s data quality measure was only .00020691%, which fell well below the allowable 3% variation.

Indicator # 14 – Did the external independent auditor report that 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 weakness.)

Sweeny ISD external auditors reported no material noncompliance.

Indicator # 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?

Sweeny ISD did not have a repayment schedule to TEA, therefore nothing to adjust and not applicable for the year ended August 31, 2015.



Financial Integrity Rating System of Texas

OVERALL STATISTICS
2014-2015 STATUS COUNTS

Status	Count	% Total	Enrollment	% Total Enrollment
Passed	1,019	99.61 %	4,924,568	98.78 %
Failed	4	0.39 %	60,651	1.22 %
Total	1,023	100.00 %	4,985,219	100.00 %

2014-2015 RATING COUNTS

Ratings	Count	% Total	Enrollment	% Total Enrollment
A = Superior	1,002	97.95 %	4,857,380	97.44 %
B = Above Standard	17	1.66 %	67,188	1.35 %
F = Substandard Achievement	4	0.39 %	60,651	1.22 %
Total	1,023	100.00 %	4,985,219	100.00 %

2014-2015 ALL RESULTS BY INDICATOR

Indicator	Result	Count	% of Districts	Enrollment	% Total Enrollment
1	Yes	1022	99.90 %	4976400	99.82 %
	No	1	0.10 %	8819	0.18 %
2.A	Yes	1021	99.80 %	4957007	99.43 %
	No	2	0.20 %	28212	0.57 %
2.B	Yes	994	97.17 %	4889464	98.08 %
	No	29	2.83 %	95755	1.92 %

3	Yes	1022	99.90 %	4976400	99.82 %
	No	1	0.10 %	8819	0.18 %
4	Yes	1021	99.80 %	4944500	99.18 %
	No	2	0.20 %	40719	0.82 %
5	Yes	1022	99.90 %	4984680	99.99 %
	No	1	0.10 %	539	0.01 %
6	10	834	81.52 %	3902381	78.28 %
	8	72	7.04 %	445010	8.93 %
	6	49	4.79 %	328377	6.59 %
	4	27	2.64 %	80887	1.62 %
	2	19	1.86 %	99749	2.00 %
	0	22	2.15 %	128815	2.58 %
7	10	831	81.23 %	3221765	64.63 %
	8	84	8.21 %	932616	18.71 %
	6	62	6.06 %	549556	11.02 %
	4	32	3.13 %	244452	4.90 %
	2	11	1.08 %	27009	0.54 %
	0	3	0.29 %	9821	0.20 %
8	10	803	78.49 %	3000086	60.18 %
	8	102	9.97 %	820790	16.46 %
	6	72	7.04 %	434777	8.72 %
	4	27	2.64 %	547569	10.98 %
	2	13	1.27 %	137781	2.76 %
	0	6	0.59 %	44216	0.89 %

9	10	996	97.36 %	4891194	98.11 %
	0	27	2.64 %	94025	1.89 %
10	10	853	83.38 %	4321735	86.69 %
	8	12	1.17 %	18566	0.37 %
	6	17	1.66 %	81281	1.63 %
	4	12	1.17 %	28749	0.58 %
	2	9	0.88 %	74312	1.49 %
	0	120	11.73 %	460576	9.24 %
11	10	847	82.80 %	4514730	90.56 %
	8	116	11.34 %	359823	7.22 %
	6	32	3.13 %	75595	1.52 %
	4	18	1.76 %	32216	0.65 %
	2	3	0.29 %	1464	0.03 %
	0	7	0.68 %	1391	0.03 %
12	10	1001	97.85 %	4974361	99.78 %
	0	22	2.15 %	10858	0.22 %
13	10	1011	98.83 %	4956004	99.41 %
	0	12	1.17 %	29215	0.59 %
14	10	985	96.29 %	4823922	96.76 %
	0	38	3.71 %	161297	3.24 %
15	10	1023	100.00 %	4985219	100.00 %

2014-2015 ANSWERS BY INDICATOR

Indicator	Yes	No	10	8	6	4	2	0	Total
1	1022	1	x	x	x	x	x	x	1023

2.A	1021	2	x	x	x	x	x	x	1023
2.B	994	29	x	x	x	x	x	x	1023
3	1022	1	x	x	x	x	x	x	1023
4	1021	2	x	x	x	x	x	x	1023
5	1022	1	x	x	x	x	x	x	1023
6	x	x	834	72	49	27	19	22	1023
7	x	x	831	84	62	32	11	3	1023
8	x	x	803	102	72	27	13	6	1023
9	x	x	996	x	x	x	x	27	1023
10	x	x	853	12	17	12	9	120	1023
11	x	x	847	116	32	18	3	7	1023
12	x	x	1001	x	x	x	x	22	1023
13	x	x	1011	x	x	x	x	12	1023
14	x	x	985	x	x	x	x	38	1023
15	x	x	1023	x	x	x	x	x	1023

Last Updated: Monday, August 8, 2016 6:16:32 PM

Sweeny Independent School District

Required Disclosures

For the Year Ending August 31, 2015

Reimbursements Received by the Superintendent and Board Members

**For the Twelve-Month Period
Ended August 31, 2015**

	Meals	Lodging	Transportation	Motor Fuel	Other	Total
Superintendent	\$108.87	\$1,861.19	-	-	\$948.57	\$2,918.63
Board Member 1	-	\$686.49	-	-	\$565.84	\$1,252.33
Board Member 2	-	\$686.49	-	-	\$505.84	\$1,192.33
Board Member 3	-	\$686.49	-	-	\$505.84	\$1,192.33
Board Member 4	\$61.09	\$686.49	-	\$150.27	\$505.84	\$1,403.69
Board Member 5	-	\$412.02	-	-	\$505.84	\$917.86
Board Member 6	-	\$686.49	-	-	\$505.84	\$1,192.33
Board Member 7	-	\$686.49	\$317.51	-	\$505.84	\$1,509.84

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

**For the Twelve-Month Period
Ended August 31, 2015**

<u>Name(s) of Entity(ies)</u>	Amount Received
None	\$0
Total	<u>\$0.00</u>

**Gifts Received by Executive Officers and Board Members
(and First Degree Relatives, if any)
For the Twelve-Month Period Ended August 31, 2015**

Superintendent	None
Board Member 1	None
Board Member 2	None
Board Member 3	None
Board Member 4	None
Board Member 5	None
Board Member 6	None
Board Member 7	None
Total	\$0

**Business Transactions Between School District and Board Members
For the Twelve-Month Period Ended August 31, 2015**

Superintendent	None
Board Member 1	None
Board Member 2	None
Board Member 3	None
Board Member 4	None
Board Member 5	None
Board Member 6	None
Board Member 7	None
Total	\$0

SUPERINTENDENT'S EMPLOYMENT CONTRACT

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

THIS AGREEMENT is made and entered into this, the 21st day of January, 2016, by and between the Board of Trustees (the "Board") of the Sweeny Independent School District (the "District") and Randy Miksch ("Superintendent").

WITNESSETH:

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

I. Term

- 1.1 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 (3) years commencing on January 1, 2016, and ending on December 31, 2019. 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 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 assigned by the Board, and shall comply with all Board directives, state and federal law, district policy, rules and regulations as they exist or may hereafter be amended. Specifically, the duties of the Superintendent shall include those duties assigned by the Texas Education Code Section 11.201(d), and as hereafter amended. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise.

- 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 Texas Education Agency and all 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 or the Superintendent's designee shall 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, the Superintendent's salary and benefits as set forth in this Contract, the Superintendent's evaluation, interpersonal relationships between individual Board members, or any other urgent reason as determined by the Board.
- 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. The Superintendent shall investigate such matters and inform the Board of the results of such efforts, unless the investigation is related to the Superintendent's own actions, in which event the Board may appoint a third party to investigate.

III. Compensation

- 3.1 **Salary.** The District shall provide the Superintendent with an annual salary in the sum of ONE HUNDRED AND FIFTY SEVEN THOUSAND AND EIGHTY AND NO/100 DOLLARS (\$157,080.00). This annual salary shall be paid to the Superintendent in equal monthly 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 pursuant to Section 3.1 of this Contract except by mutual agreement of the two parties. Such adjustments, if any, shall be in the form of a written addendum to this Contract or a new contract.
- 3.3 **Out-of-District Expenses.** The District shall provide a District credit card to Superintendent for reasonable out-of-district 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 costs may include, but are not limited to out-of-district mileage, hotels and accommodations, rental car and other expenses

incurred in the performance of the business of the District. Meals shall be reimbursed to the Superintendent in accordance with District policy. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies. An accounting of the expenses to be paid shall be provided monthly to the Board.

- 3.4 **Employee Benefits Stipend.** The District shall pay NINE THOUSAND AND TWO HUNDRED AND SEVENTY-SIX AND NO/100 DOLLARS (\$9,276.00) as a stipend toward the Superintendent's cost of employee benefits. The Superintendent shall receive the same health insurance and other employee benefits as other administrative personnel.
- 3.5 **Civic Activities.** The Superintendent is encouraged to participate in community and civic affairs. Rotary dues and fees will be paid by the District.
- 3.6 **Outside Consultant Activities.** With the prior written approval of the Board, the Superintendent may serve as a consultant to other school districts or educational agencies, lecture, engage in writing activities and speaking engagements, and engage in other activities which are of a short-term duration to the extent such activities do not interfere with the performance of his duties as Superintendent.
- 3.7 **Vacation, Holiday, Sick Leave.** The Superintendent may take, at the Superintendent's choice, subject to the Board's approval, the same number of days of leave as authorized or permitted by this Agreement or by policies adopted by the Board for administrative employees on twelve-month contracts, the days to be in a single period or at different times. The days of leave 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 observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The Superintendent is hereby granted the same sick leave benefits as authorized by Board policies for administrative employees on twelve-month contracts

3.8 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 per year 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 two professional associations, as well as other memberships necessary to maintain and improve the Superintendent's professional skills, subject to Board approval.

IV. Annual Performance Goals

- 4.1 **Development of Goals.** The Superintendent shall submit to the Board each year, for the Board's consideration, 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. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and District goals as prescribed in 4.1.
- 5.2 **Confidentiality.** The evaluation of the Superintendent shall at all times be conducted in closed 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 the respective legal counsel.
- 5.3 **Evaluation Format and Procedures.** The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law. In the

event the Board deems that the evaluation instrument, format and/or procedures is to be modified by the Board, such modification must be adopted no later than the first instructional day of the academic year such instrument is to be used.

VI. Renewal or Non-renewal of Employment Contract

- 6.1 **Renewal or Non-renewal.** Renewal or non-renewal shall be in accordance with Board policy and applicable 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.

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 this Contract for good cause. The term “good cause” shall include but is not limited to the following:

- (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. (The terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent reasonable opportunity to remediate any incompetence 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’ 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) Failure to put forth a reasonable effort to achieve a good rapport with parents, the community, staff, or the Board; however, failure to accomplish a good rapport under the terms and conditions of this paragraph shall be deemed not to be good cause when said good rapport is not achieved due to no fault of the Superintendent;
- (n) Criminal assault on an employee or student;
- (o) Knowingly falsifying records or documents related to the District's activities;
- (p) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (q) Failure to fulfill requirements for superintendent certification;
- (r) Failure to fulfill the requirements of a deficiency plan under an Emergency Permit; or,
- (s) Any other reason constituting "good cause" under Texas law.

7.4 Termination Procedure. In the event 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.

VIII. Miscellaneous

- 8.1 **Controlling Law.** This Contract shall be governed by the laws of the State of Texas and shall be performable in Brazoria 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.
- 8.4.1 **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.

SWEENEY INDEPENDENT SCHOOL DISTRICT

By: 


Dr. Glenn Garrison, President

ATTEST:



Jan Reddoch
Vic President, Board of Trustees
Sweeny Independent School District

EXECUTED this 21st day of January, 2016.



Superintendent

EXECUTED this 21st day of January, 2016.

ADDENDUM TO SUPERINTENDENT'S EMPLOYMENT CONTRACT

This addendum, made the 9th day of August 2016, between the Sweeny Independent School District Board of Trustees (hereinafter called the "Board"), and Randall Lee Miksch (hereinafter called the "Superintendent"), amends and becomes part of the SUPERINTENDENT'S EMPLOYMENT CONTRACT (hereinafter called the "Contract"), made the 21st day of January, 2016, and last amended on the 9th day of August 2016. Except for this addendum, the Contract remains unchanged.

Section 3 (Annual Base Salary) of the Contract is amended to read as follows:

The Superintendent shall be paid an annual base salary of \$161,792.00 effective for January 1, 2016 through December 31, 2016. In the annual budget adopted for each subsequent year of this Contract, or at any other time at which the Board is considering salary adjustments for administrative personnel, the Board may, at its sole discretion, increase the annual base salary of the Superintendent. Any such increase shall not be considered to be a new Contract between the Board and the Superintendent, nor an extension of the termination date of the existing Contract. In no event shall the Superintendent be paid less than the annual base salary set forth in this paragraph, except by mutual written agreement of the parties.

This Addendum is authorized by action of the Board at an officially called meeting on August 9, 2016.

This Addendum must be accepted by the Superintendent by signing and returning on or before August 22, 2016, a signed copy of this Addendum to the Board or its designee.

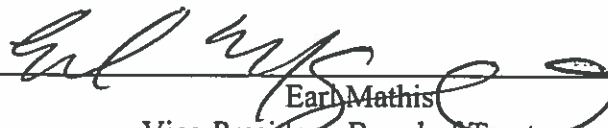
Executed this the 9th day of September 2016.

SWEENY INDEPENDENT SCHOOL DISTRICT



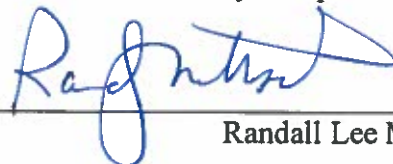
Glenn Garrison
President, Board of Trustees

ATTEST:



Earl Mathis
Vice-President, Board of Trustees

I, Randall Lee Miksch, do hereby agree to the above-described action taken by the Board of Trustees of the Sweeny Independent School District on my employment Contract.



Randall Lee Miksch