

**SANTA MARIA
INDEPENDENT SCHOOL DISTRICT**

**School FIRST Ratings
2022-2023 Rating Year**

Based on 2021 - 2022 School Year



**Public Hearing
December 14, 2023
6:00 PM**

Congratulations SMISD!



2022-2023 Rating

A = Superior Achievement

2021-2022 Score

A = Superior Achievement

- ▶ Earning a score of **96** resulting in the state's highest rating for the 2022-2023 rating year!

School FIRST Rating System

OBJECTIVES

- ▶ Senate bill 218 of the 77th Legislature created in 2001 the Financial Integrity Rating System of Texas (FIRST)
 - ▶ designed to encourage public schools to improve their management of financial resources to provide the maximum allocation possible for direct instructional purposes
 - ▶ Provide an analysis tool for assessment
 - ▶ Assess the quality of financial management
 - ▶ Publicly report results of this assessment
 - ▶ Data retrieved from the following sources:
 - ▶ Audited Annual Financial report, and
 - ▶ Public Education Information Management System (PEIMS)

School FIRST Rating System

GOALS

- ▶ Strengthen fiscal accountability
- ▶ Improve performance in management of finances
- ▶ Facilitates effective and efficient use of resources

School FIRST Rating System

- ▶ FIRST ratings are calculated using 20 financial indicators for school districts such as administrative cost expenditures; accuracy of a district's financial information submitted to TEA; and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor.
- ▶ A school district is assigned one of four letter grades as well as coinciding financial management rating.

FINAL RATING	DISTRICTS	TOTAL	%
A – Superior Achievement	890	129	85%
B – Above Standard Achievement	87	27	10%
C – Meets Standard Achievement	36	10	4%
F – Substandard Achievement	6	9	1%
TOTAL	1,019	175	100%

***FIRST** accounts for more than 1,200 school districts and charter schools across the state.*

- ▶ Indicators 1-4* are **critical** and can result in an automatic 'F' or 'Substandard Achievement' rating should a school district fail in that specific category – regardless of overall score.
- ▶ Districts that receive the Substandard Achievement must file a corrective action plan with the Texas Education Agency. This rating could also result in the assignment of a financial monitor or master.
- ▶ All school districts are required to report information and financial accountability ratings to parents and taxpayers. In addition, school districts must hold an annual public hearing.

Critical Indicators

- ▶ Annual Financial Report not filed within one month after January 28th deadline
- ▶ Other than an Unmodified Opinion and/or any Material Weaknesses identified in the Audit
- ▶ Default on Debt Payments
- ▶ Default on Payroll-related payments

Santa Maria ISD's Historical Performance

Rating Years 2020-2021 through 2022-2023

Rating Year	Financial Data School Year	Status	Rating	Passing Score	Highest Score	District's Score	%
2022 – 2023	2021 – 2022	Passed	Superior Achievement	70	100	96	96%
2021 – 2022	2020 – 2021	Passed	Superior Achievement	70	100	92	92%
2020 - 2021	2019 – 2020	Passed	Above Standard Achievement	70	100	82	82%

TEA's Rating Report 2021-2022

Financial Integrity Rating System of Texas

2022-2023 RATINGS BASED ON SCHOOL YEAR 2021-2022 DATA - DISTRICT STATUS DETAIL

Name: SANTA MARIA ISD (031913)	Publication Level 1: 8/4/2023 12:02:16 PM
Status: Passed	Publication Level 2: 8/7/2023 3:01:39 PM
Rating: A = Superior Achievement	Last Updated: 8/7/2023 3:01:39 PM
District Score: 96	Passing Score: 70

#	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>	7/13/2023 6:18:43 PM	Yes
2	<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>	7/13/2023 6:18:43 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>	7/13/2023 6:18:43 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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	7/13/2023 6:18:43 PM	Yes Celling Passed
5	This indicator is not being evaluated.		

TEA's Rating Report 2021-2022

6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	7/13/2023 6:18:43 PM	Ceiling Passed
7	<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 in the Determination of Points section.</u>	7/13/2023 6:18:43 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	7/13/2023 6:18:43 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? See ranges below in the Determination of Points section.</u>	7/13/2023 6:18:43 PM	10
10	This indicator is not being evaluated.		10
11	<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 or 1,000 or more students in membership, then the school district passes this indicator.)</u>	7/13/2023 6:18:43 PM	10

TEA's Rating Report 2021-2022

12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	7/13/2023 6:18:43 PM	6
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	7/13/2023 6:18:43 PM	10
14	This indicator is not being evaluated.		10
15	This indicator is not being evaluated.		5
16	<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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	7/13/2023 6:18:43 PM	Ceiling Passed
17	<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 and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	7/13/2023 6:18:43 PM	Ceiling Passed
18	<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>	7/13/2023 6:18:43 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	7/13/2023 6:18:43 PM	5
20	<u>Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?</u>	7/13/2023 6:18:43 PM	Ceiling Passed
			96 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			96 Score

School FIRST - Indicator #1

Was the complete Annual Financial Report (AFR) and data submitted to the Texas Education Agency 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?

YES. SMISD's Annual Financial Report for the fiscal year August 31, 2022, was filed with the Texas Education Agency before the deadline of January 28, 2022.

	FY 2021 - 2022
Result	Yes

School FIRST - Indicator #2

Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)

YES. The opinion expressed by SMISD’s independent auditors on the August 31, 2022 and August 31, 2021 Annual Financial Report was an unmodified opinion.

A “modified” version of the auditor’s opinion on our annual financial report would have meant that corrections were needed in some of our reporting or financial controls. A district’s goal, therefore, is to receive an “unmodified opinion” on its Annual Financial Report.

	FY 2021 - 2022
Result	Yes

School FIRST - 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.)

YES. SMISD was in compliance with the payment terms of all debt agreements for fiscal year ended August 31, 2022.

	FY 2021 - 2022
Result	Yes

School FIRST - 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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fall critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A=Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)

YES. SMISD made timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies for fiscal year ended August 31, 2022.

	FY2021 - 2022
Result	Yes (Ceiling Passed)

School FIRST - Indicator #5

The indicator is not currently being evaluated.

	FY 2021 - 2022
Result	N/A

School FIRST - Indicator #6

Was the average change in (assigned and unassigned) fund balances over 3 years less than 25 percent decrease or is the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If a school district fails indicator 6, the maximum points highest rating may receive is 89 points, B = Above Standard Achievement.)

YES. SMISD's average change in fund balance over 3 years increased and the assigned and unassigned fund balances exceeded 75 days of operational expenditures.

	FY 2021 – 2022
Result	Yes (Ceiling Passed)

School FIRST - Indicator #7

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. SMISD had 3 months of cash on hand and current investments in the general fund to cover operating expenditures (excluding facilities acquisition and construction).

	FY 2021 - 2022
Result	10

School FIRST - Indicator #8

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

YES. SMISD's ratio of current assets to current liabilities for the fiscal year ended August 31, 2022 was sufficient to cover short-term debt.

	FY 2021 - 2022
Result	10

School FIRST - 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 equal to 60 days?

YES. SMISD's general fund revenues exceeded expenditures (excluding facilities acquisition and construction).

	FY 2020-2021
Result	10

School FIRST - Indicator #10

This indicator is currently not being evaluated.

	FY 2021 - 2022
Result	N/A

School FIRST - Indicator #11

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 of more, then the school district passes this indicator.)

YES. SMISD's ratio of long-term liabilities to total assets was sufficient to support long-term solvency for the fiscal year ended August 31, 2022..

	FY 2021 - 2022
Result	10

School FIRST - Indicator #12

What is the correlation between future debt requirements and the district's assessed property value?

YES. SMISD's assessed property value ratio for fiscal year end August 31, 2022 was sufficient to meet the required debt service.

	FY 2021 - 2022
Result	6

School FIRST - Indicator #13

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

YES. SMISD's administrative cost ratio for the 2021-2022 school year was less than the threshold and determined to be well below the state cap.

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.

	FY 2021 - 2022
Result	10

School FIRST - Indicator #14

This indicator is currently not being evaluated.

	FY 2021 - 2022
Result	10

School FIRST - Indicator #15

This indicator is not being evaluated.

	FY 2021 - 2022
Result	5

School FIRST - Indicator #16

Did the comparison of Public Education Information Management System (PEIMS) data to like information in the AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B=Above Standard Achievement).

YES. SMISD's data quality measure was 0 for fiscal year ended August 31, 2022 far below the allowable 3% variance.

	FY 2021 - 2022
Result	Yes (Ceiling Passed)

School FIRST - Indicator #17

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 and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weaknesses.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C=Meets Standard Achievement.)

YES. SMISD had no material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds reported in our 2020-2021 and 2021-2022 audit report. Internal control weaknesses create a risk that a district would not be able to properly account for its use of public funds, and should be immediately addressed. A clean audit of the annual financial report would state if the school district has no material weaknesses in internal controls.

	FY 2021 - 2022
Result	Yes (Ceiling Passed)

School FIRST - Indicator #18

Did the external independent auditor indicate 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 noncompliance.)

YES. SMISD had no material noncompliance for grants, contracts, and laws related to local, state, or federal funds.

Any internal weaknesses create a risk that a district would not be able to properly account for its use of public funds, and should be immediately addressed. A clean audit of the annual financial report would state that the school district has no material weaknesses in internal controls.

	FY 2021 - 2022
Result	10

School FIRST - Indicator #19

Did the school district post the required financial information on its website in accordance with the Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws, and rules that were in effect at the school district's fiscal year end?

YES. SMISD was in compliance with the posting of the required financial information on its website that were in effect at the 2021-2022 fiscal year.

	FY 2020-2021
Result	5

School FIRST - Indicator #20

Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?

YES. SMISD school board discussed the district's property value at a board meeting within 120 days before the district adopted its budget.

	FY 2021 - 2022
Result	Yes (Ceiling Passed)

FIRST Requirements

Disclosures in accordance with Title 19, TAC Chapter 109

- A. A copy of the Superintendent's current employment contract, or it can be posted online.
- B. A summary schedule of the reimbursements received by the Superintendent and each board member for the fiscal year.
- C. A summary schedule for the fiscal year of the dollar amount of outside compensation and/or fees received by the superintendent.
- D. A summary schedule of the total dollar amount of gifts received by executive officer(s) and board members of gifts that had an economic value of \$250 or more in the aggregate in the 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.

Texas Administrative Code

Title 19 Chapter 109 Disclosures

Disclosure A

A copy of Superintendent's Current Employment Contract is posted on the district's website and will remain accessible for at least 12 months.

(Title 19 Administrative Code, §109.1001(o)(B)(i))

State of Texas §
County of Cameron §

SANTA MARIA INDEPENDENT SCHOOL DISTRICT SUPERINTENDENT'S EMPLOYMENT CONTRACT

This Contract is entered into by the Board of Trustees ("Board") of the Santa Maria Independent School District ("SMISD" or "District"), and Mr. Martin Cuellar ("Superintendent"), effective on the 5th day of July, 2023, replacing the Superintendent's Employment Contract entered into July 25, 2018 and last amended on June 22, 2022. Pursuant to the authority of Chapter 11, Subchapters D and E, Section 11.201 and Chapter 21 of the Texas Education Code and the general laws of the State of Texas, for and in consideration of the terms stated in this Contract, the Board and the Superintendent agree to the terms below.

1. Term

- 1.1. The Board, by and on behalf of the District, hereby employs the Superintendent, and the Superintendent hereby accepts such employment, for a term that commenced on July 25, 2018, and ending on July 24, 2026 (the "Contract Term").
- 1.2. The District may, by action of the Board, and with the consent and agreement of the Superintendent, extend or renegotiate the Contract to a term permitted by state law. This Contract creates no property interest of any kind beyond the period of time stated in the Contract.

2. Professional Certification, Credential, and Records

- 2.1. This Contract is expressly conditioned upon the Superintendent satisfactorily providing a valid certification and other records and information required by law, the Texas Education Agency, the State Board for Educator Certification, and the Board.
- 2.2. The Superintendent agrees to maintain the required certification throughout his term of employment with the District. If the Superintendent's certification expires, is canceled, revoked, or otherwise becomes invalid, this Contract is void.

3. Representations

- 3.1. The Superintendent represents that he has disclosed to the Board in writing, any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent for a felony or an offense involving moral turpitude, even if such felony or offense was erased or otherwise purged or expunged from the Superintendent's record and, more specifically, represents that he has no record of such indictments, convictions, or other disposition of any felonies or offenses involving moral turpitude. The Superintendent further represents and agrees that, during the Contract Term, he will notify the Board, in writing within three (3) calendar days of any arrest or any indictment, conviction, no contest or guilty plea, or other adjudication of the Superintendent for a felony or an offense involving moral turpitude. The Superintendent understands that a

Page | 1 of 10

criminal history records search acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.

- 3.2. The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statements, misrepresentations, omissions of requested information intentionally made, or fraud by the Superintendent in or concerning any required records or in the employment application may be good cause for termination or nonrenewal of employment, as applicable.

4. Duties

- 4.1. General. The Superintendent of Schools is the educational leader and chief executive officer of the District and shall faithfully perform all such duties prescribed by State law including Texas Education Code ("Education Code" or "TEC") Sections 11.201(d), 11.1512 and 11.1513, Board policy, the job description, those duties necessary and prudent to carry out his role, and as may be lawfully assigned by the Board. The Board shall have the right to assign additional duties to the Superintendent and to make changes in responsibilities or work at any time during the Contract Term consistent with Section 11.201(d), or other applicable provisions of the Texas Education Code. All duties assigned by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent. The Superintendent shall comply with all lawful Board directives, state and federal law and regulations, and district policies and rules and regulations as they exist or may hereafter be amended or adopted during the Contract Term.
- 4.2. Faithful Performance of Duties. Except as otherwise set forth herein, the Superintendent shall devote his full time and energy to the faithful performance of his duties with reasonable care, skill, and diligence, and shall perform his duties to the best of his abilities.
- 4.3. Criticisms, Complaints & Suggestions. The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions from staff and third parties to the Superintendent for review and appropriate action. The Superintendent will either refer such matters: (a) to the appropriate District employee or shall investigate such matters and shall within a reasonable time inform the Board of the results of his efforts; or (b) to the appropriate complaint resolution procedure as established by Board policies. Substantive complaints include, without limitation, allegations of possible wrongdoing by staff and/or students, complaints of possible criminal behavior by staff and/or students, and complaints about personnel which, if true, would require action by the superintendent and/or administration. The Board retains the right to investigate complaints about the Superintendent.
- 4.4. Outside Consulting or Employment. The Superintendent agrees that he will not accept outside employment, engagement as an independent contractor, or paid appointment to any Board or organization during the Contract Term, unless expressly permitted by the Board in writing.
- 4.5. Board Meetings. Unless otherwise prohibited by law, the Superintendent shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings in which the Board is deliberating about the Superintendent's contract, the

Page | 2 of 10

Superintendent's evaluation or performance, when the Board is acting in its capacity as a tribunal, considering concerns or complaints about a Board member, or at such other times as may be mutually agreed to by the Board and Superintendent.

- 4.6. Reassignment. The Superintendent is employed specifically and solely to perform the duties of Superintendent of Schools for SMISD. The Superintendent cannot be reassigned from the position of Superintendent to another position without the express mutual written consent of the Board and Superintendent.

5. Compensation & Benefits

- 5.1. Annual Base Salary. SMISD shall pay the Superintendent an annual base salary of one hundred seventy-eight thousand and thirty-eight dollars and no cents (\$178,038.00) during the Contract Term for 226 days of service annually. The District shall pay the Superintendent's annual base salary in equal installments according to its standard payroll practices. The Board may, in its discretion, review and increase the salary of the Superintendent during the term of this Contract. Any adjustments to the Superintendent's Annual Base Salary or other Contract provision made during the Contract Term shall be made by lawful Board action and shall be in the form of a written amendment to this Contract, or a new contract.
- 5.2. Benefits. In addition to the benefits expressly set forth herein, SMISD shall provide other benefits to the Superintendent as provided by state law and Board policies on the same basis as it does for other full-time administrative employees of the District, including without limitation, travel stipends. The Board reserves the right to amend its policies at any time during the Contract Term to reduce or increase such other benefits not expressly provided herein, at the Board's sole discretion.
- 5.3. Group Health and Dental Insurance. The District will provide the Superintendent all insurance coverages currently provided to other District staff.
- 5.4. Term Life Insurance. During the term of this Contract, the District shall provide the Superintendent life insurance under the District's insurance plan.
- 5.5. Professional Liability Insurance. Professional liability insurance will be provided to the Superintendent under the District's insurance plan.
- 5.6. Training. The District will provide for the Superintendent to receive Region One Superintendent Mandatory Training.
- 5.7. Local and State Leave. The Superintendent may take, at times selected by the Superintendent, the same number of days of leave authorized by policies and calendar adopted by the Board for administrative employees on twelve months (226 days) contract, the days to be in a single period or at different times. The leave days taken by the Superintendent will be taken at such times or time that will not substantially interfere with the performance of the Superintendent's duties as set forth in this Contract. Any unused leave days under this section shall be administered in accordance with local policies applicable to all employees. The Superintendent is hereby granted the same number of personal leave days as authorized by the Board for all professional employees.
- 5.8. Travel Beyond Region One. The Superintendent will be allowed to submit reimbursement for travel expenses incurred in the performance of his duties, including school-related

Page | 3 of 10

travel outside Region One. The Superintendent shall notify the Board at the Board meeting prior to any anticipated travel outside of Region One. While traveling to pursue his duties, the Superintendent will be provided a per diem of sixty dollars (\$60.00) per day, and reimbursement for mileage beyond the Region One area.

- 5.9. Travel Within Region One. The District will provide the Superintendent a monthly stipend of one thousand dollars (\$1,000.00) for all mileage and other related costs for travel within the Region One Education Service Center area. Lodging and meal expenses within Region One may be reimbursed by the District if provided by Board policy.
- 5.10. Communication Devices. The District will pay the Superintendent a monthly stipend of five hundred dollars (\$500.00) to purchase and maintain service of a mobile telephone and other mobile communication devices.
- 5.11. Texas Teacher Retirement System. For performance of Superintendent duties, the District shall supplement the Superintendent's salary by an amount equal to the Superintendent's portion of the member contribution to the Texas Teacher Retirement System ("TRS") during the term of this Contract, including any extensions thereof. This supplement shall include both the retirement and TRS-Care parts of the TRS member contribution, as applicable. This additional salary supplement for services rendered shall be paid to the Superintendent in regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of TRS, to the extent permitted by TRS.

7. Annual Performance Goals & Evaluation

- 7.1. Performance 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 District Goals proposed to and approved by the Board shall be specific, definitive, and objectively measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the District Goals.
- 7.2. Evaluation. The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law.

8. Professional Liability

- 8.1. To the extent it may be permitted to do so by applicable law, including but not limited to the Texas Civil Practices & Remedies Code, and as limited by any such applicable law, the District shall indemnify, defend, and hold the Superintendent harmless from any claims, demands, suits, actions, or other legal proceedings against the Superintendent, or judgments or damages incurred by the Superintendent, including court costs and reasonable attorney's fees, in his individual or official capacity for any act or failure to act involving the exercise of judgment and discretion within the normal course and scope of his duties as Superintendent of the District, to the extent and to the limits permitted by law. This paragraph does not apply if the Superintendent is found to have acted with gross negligence or with intent to violate a person's clearly established legal rights, or to have

engaged in official misconduct or criminal conduct, or acted in bad faith or with conscious indifference or reckless disregard, nor does it apply to criminal investigations or proceedings. Excluded are any costs, fees, expenses, or damages that would be recoverable or payable under an insurance contract, held either by the District or by the Superintendent. The Board may retain attorneys to represent the Superintendent in any proceeding for which she could seek indemnification under this paragraph, to the extent that damages are recoverable or a defense is provided, under any such contract of insurance. The selection of the Superintendent's attorney shall be with the mutual agreement of Superintendent and the District, if such legal counsel is not also the District's legal counsel, such agreement not to be unreasonably withheld by either party. No individual member of the Board shall be personally liable for indemnifying and defending the Superintendent under this paragraph. The District may, at its sole option, comply with this paragraph by purchasing appropriate insurance coverage for the Superintendent or by including the Superintendent as a covered party under any errors and omissions insurance coverage purchased for protection of the Board and District professional employees, in which case, the Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. The District's obligation under this paragraph shall continue after the termination of this Contract for qualifying acts or failures to act occurring during the Contract Term or any extension thereof.

- 8.2. The Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions, or legal proceedings brought against the District or its employees in the scope of their employment. The Superintendent's obligation under this paragraph shall continue after the termination of this Contract at no cost to the District, other than reimbursement to the Superintendent for his documented reasonable and necessary out-of-pocket expenses and lost wages (if any) attributable to the Superintendent taking time off from his then-current employment to reasonably assist the District. If the Superintendent is not employed at the time, the District shall compensate the Superintendent at his daily rate of pay, calculated by dividing the Superintendent's last salary under the Contract by 226. Requests for assistance from the Superintendent with respect to such matters shall be made through the Board of Trustees' President, any successor superintendent, and/or legal counsel for the District, and the amount to be reimbursed to the Superintendent shall be mutually agreed upon in advance. To the extent this section exceeds the authority provided and the limitations imposed by Texas Civil Practices & Remedies Code, Chapter 102, it shall be construed and modified accordingly.

9. Termination, Resignation, Renewal/Nonrenewal, Suspension, or Disability

- 9.1. Termination by Mutual Agreement. This Contract may be terminated by the mutual written agreement of the Board and the Superintendent at any time upon such terms and conditions as may be mutually agreeable to the parties.
- 9.2. Resignation. The Superintendent may leave 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 no later than the 45th day before the first day of

instruction of the upcoming school year. The Superintendent may resign with the Board's consent at any other time.

- 9.3. Disability. Subject to the Americans With Disability Act of 1990 and other applicable law, should the Superintendent become unable to perform any or all of the essential functions and duties of his position by reason of illness, accident or other cause, and said disability exists after all of his accrued paid leave has been exhausted, the District may make appropriate deduction from the Superintendent's annual base compensation for each additional day that the Superintendent is unable to perform the duties of his position, based on two hundred and twenty six (226) days of service per year during the term of this Contract.
- 9.4. Renewal or Nonrenewal. Renewal or nonrenewal of this Contract shall be in accordance with the Board's policies and applicable law.
- 9.5. Termination for Good Cause. The Board may dismiss the Superintendent during the Contract Term or any extensions thereof for good cause as determined by the Board. The Board shall give the Superintendent the reasons for a proposed dismissal for good cause in writing and the Superintendent shall be provided all procedural and substantive rights as set forth in the Board's policies and applicable state and federal law. The term "good cause" includes, without limitation:
- 9.5.1. Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- 9.5.2. Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication or failure to make measurable progress towards the goals stated in the District Improvement Plan or the Superintendent's performance goals; 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 identified incompetency or inefficiency;
- 9.5.3. Insubordination or failure to comply with lawful written Board directives;
- 9.5.4. Failure to comply with written Board Policies or District administrative regulations;
- 9.5.5. Neglect of duties, including, without limitation, conducting personal business during school hours when it results in neglect of duties;
- 9.5.6. Drunkenness or excessive use of alcoholic beverages, or being under the influence of or possessing alcoholic beverages while on school property, while working in the scope of the Superintendent's duties (which may include social engagements), or while attending any school- or District-sponsored activity;
- 9.5.7. Illegal use, possession, manufacture, or distribution of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;

- 9.5.8. Conviction of a felony or crime involving moral turpitude; conviction of a lesser included offense pursuant to a plea when the original charged offense is a felony; or deferred adjudication for a felony or any crime involving moral turpitude;
- 9.5.9. Failure to report to the Board any arrest, conviction, or deferred adjudication for any felony or crime involving moral turpitude as required by Board policy and/or this Contract;
- 9.5.10. Failure to meet the District's standards of professional conduct;
- 9.5.11. Failure to comply with reasonable District professional development requirements;
- 9.5.12. Disability, not otherwise protected by law, that substantially impairs the Superintendent's performance of required duties;
- 9.5.13. Immorality, which is conduct not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency or depravity;
- 9.5.14. Assault on an employee or student;
- 9.5.15. Knowing falsification of records or documents related to the District's activities;
- 9.5.16. Conscious misrepresentation of material facts to the Board or other District officials in the conduct of the District's business;
- 9.5.17. Failure to fulfill or maintain requirements for superintendent certification;
- 9.5.18. Any activity of the Superintendent, school-connected or otherwise, that, because of publicity given it or knowledge of it among students, faculty, or community, impairs or diminishes the Superintendent's effectiveness in the District;
- 9.5.19. Falsification or material omission of information required on an employment application or other documents submitted in connection with employment with the District;
- 9.5.20. Failure to take reasonable steps to maintain an effective working relationship with the Board; or
- 9.5.21. Any other reason constituting "good cause" under Texas law or this Contract.
- 9.5.22.

10. Other Terms

10.1. Savings Clause. If 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.

- 10.2. Controlling Law. This Contract shall be governed by the laws of the State of Texas and it shall be enforceable in Cameron County, Texas. Venue for any dispute concerning the interpretation and/or enforcement of this Contract shall be in Cameron County, Texas.
- 10.3. Notice. The Superintendent agrees to keep a current address on file with SMSD's Human Resources Department and the Board President. The Superintendent agrees that the Board may meet any legal obligation it has to give the Superintendent written notice regarding this Contract or the Superintendent's employment by hand delivering the notice to the Superintendent or by sending the notice by certified mail, regular mail, or express delivery service to the Superintendent's address of record. The Board agrees that the Superintendent may meet any legal obligations to give the Board written notice regarding this Contract or the Superintendent's employment by providing one copy of the notice to the Board President and one copy to the Board Secretary. The Superintendent may provide such notices by hand delivery, or by certified mail, regular mail, or express delivery service to the Board President and Secretary's addresses of record, as provided by the District.
- 10.4. Entire Agreement. All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the Superintendent for the term covered in this Contract are superseded by this Contract. This Contract constitutes the entire agreement between the Parties.
- 10.5. Paragraph Headings. The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.
- 10.6. Legal Representation. Both Parties have been represented by legal counsel of their choice, or have had the opportunity to consult with legal counsel, in the negotiation and execution of this Contract.
- 10.7. Waiver. No waiver of any of the provisions of this Contract shall be deemed for any purpose to be a waiver of the right of any party hereto to enforce strict compliance with the provisions hereof in any subsequent instances.
- 10.8. Failure to Enforce or Not Waiver. Any failure or delay on the part of either the District or the Superintendent to exercise any remedy or right under this Contract shall not operate as a waiver. The failure of either party to require performance of any of the terms, covenants, or provisions of this Contract by the other party shall not constitute a waiver of any of the rights under this Contract. No forbearance by either party to exercise any rights or privileges under this Contract shall be construed as a waiver, but all rights and privileges shall continue in effect as if no forbearance had occurred. No covenant or condition of this Contract may be waived except by the written consent of the waiving party. Any such written waiver of any term of this Contract shall be effective only in the specific instance and for the specific purpose given.
- 10.9. Acknowledgments. The Parties further acknowledge that they have carefully read this Contract, that they have consulted with their attorneys prior to executing this Contract, that they have had an opportunity for review of it by their attorneys, that they fully understand its final and binding effect, that the only promises made to them to sign this Contract are those stated above and that they are signing this Contract voluntarily. The Parties also acknowledge that signatures obtained via e-mail, scan, or facsimile are

sufficient to execute this Contract. The Parties agree that an electronic signature is the legally binding equivalent to a handwritten signature, and has the same validity and meaning as a handwritten signature.

- 10.10. Authority. The Board President and Secretary have been authorized to execute this Contract on behalf of the District by action of a majority of a quorum of the Trustees present at a properly called and posted meeting on July 5, 2023.

[Signature Page to Follow]

Texas Administrative Code

Chapter 109 Required Disclosures

Disclosure B

Reimbursements Received by the Superintendent and Board Members for the twelve-month Ended August 31, 2022.

Summary Schedule for the fiscal year ended August 31, 2022 of total reimbursements received by the superintendent and each board member. The summary schedule reports reimbursements for meals, lodging, transportation, motor fuel, and other items separately. It does not include reimbursements for supplies and materials that were purchased for the operation of the school district.

Disclosure B

The summary schedule reports reimbursements for meals, lodging, transportation, fuel, and other items separately. It does not include reimbursements for supplies and materials that were purchased for the operation of the school district.

BOARD MEMBER REIMBURSEMENTS

	NAME	MEALS	LODGING	TRANSPORTATION	FUEL	OTHER - DUES/FEEES	TOTAL
Pl. 1	De la Rosa, Andrew	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pl. 4	Zavala, Miguel	\$1,406.00	\$4,776.02	\$2,029.84	\$0.00	\$2,183.92	\$10,395.78
Pl. 5	Espinoza, Casey	\$1,190.00	\$3,430.84	\$1,598.64	\$0.00	\$1,945.00	\$8,164.48
Pl. 6	Aleman, Marco	\$890.00	\$2,691.29	\$733.60	\$0.00	\$1,145.00	\$5,459.89
Pl. 7	Hinojosa, Adolfo	\$1,090.00	\$4,373.11	\$2,475.87	\$0.00	\$1,913.46	\$9,852.44
Former	De la Rosa, Consuelo	\$1,090.00	\$4,115.47	\$2,055.80	\$46.74	\$2,025.00	\$9,333.01
Former	Ortiz, Oralia	\$826.00	\$2,767.55	\$1,023.68	\$0.00	\$1,601.00	\$6,218.23
Former	Rivera, Rinaldo	\$1,190.00	\$4,459.83	\$1,598.64	\$0.00	\$1,945.00	\$9,193.47
TOTALS:		\$7,682.00	\$26,614.11	\$11,516.07	\$46.74	\$12,758.38	\$58,617.30

SUPERINTENDENT REIMBURSEMENTS

	NAME	MEALS	LODGING	TRANSPORTATION	FUEL	OTHER - DUES/FEEES	TOTAL
	Cuellar, Martin	\$1,304.00	\$3,390.97	\$3,305.68	\$0.00	\$1,135.00	\$9,135.65
TOTALS:		\$1,304.00	\$3,390.97	\$3,305.68	\$0.00	\$1,135.00	\$9,135.65

Texas Administrative Code

Chapter 109 Disclosures

Disclosure C

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2022.

Summary Schedule for the fiscal year ended August 31, 2022 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. Compensation does not include business revenues generated from family business (farming, ranching, etc.) that has no relation to district business.

No Amounts Reported

Texas Administrative Code Chapter 109 Disclosures

Disclosure D

Gifts Received by the Executive Officer(s) and Board Members in Fiscal Year 2022.

A Summary Schedule for the fiscal year ended August 31, 2022 of the dollar amount of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the executive officers and board members (and their immediate family). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member.

No Amounts Reported

Texas Administrative Code

Chapter 109 Disclosures

Disclosure E

Business transactions between School District and Board Members for the fiscal year ended August 31, 2022

A summary Schedule for the fiscal year ended August 31, 2022 of the dollar amount received by board members for the aggregate amount of business transactions with the school district. This reporting requirement is not duplicate the items disclosed in the summary of schedule of reimbursements received by board members.

No Amounts Reported

**SANTA MARIA
INDEPENDENT SCHOOL DISTRICT**

**School FIRST Ratings
2022-2023 Rating Year**

QUESTIONS & ANSWERS



Non-discrimination Statement

It is the policy of Santa Maria ISD not to discriminate on the basis of sex, age, handicap, religion, race, color, or national origin in its educational programs.
Es política del Distrito Escolar de Santa María ISD el no discriminar por razones con base en sexo, edad, discapacidad, religión, raza, color, ni origen nacional dentro de sus programas educacionales.