

November 11, 2024

2023 - 2024 Financial Integrity Rating System of Texas (FIRST)

SMISD's Financial Accountability Rating based on data from Fiscal Year 2022 - 2023

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BUSINESS MANAGER, SANTA MARIA ISD



Purpose

- Primary goal of School FIRST:
 - Achieve quality performance in the management of school district financial resources.
 - A goal made more significant due to the complexity of the Texas school finance system.
 - The Schools FIRST accountability rating ensures that Texas school districts are accountable for student learning and achieving these results cost-effectively and efficiently.

Authority

- Developed by TEA as a response to Senate Bill 875 of the 76th Texas Legislature in 1999.
- Ratings issued in 2023 cover fiscal year 2022 (September 1, 2022 – August 31, 2023).
- Based on analysis of staff and student data, as well as budgetary and actual financial data.
- Texas Education Code (TEC) section 39.082 imposes that school districts reporting and hearing requirements.
- Texas Administrative Code (TAC) 109.1001(q) prescribes requirements for disclosures included in the School FIRST financial management report.

2024 Available Ratings

- The Schools FIRST Rating System contains 21 indicators
 - There are 5 Critical Indicators
 - Failure to meet the requirements of a critical indicator will cause a school district to fail the FIRST for the applicable school year.
 - Indicators 1-5 are critical indicators
 - There are 6 Ceiling Indicators
 - Add additional criteria to designated indicators.
 - If the additional ceiling criteria are not met by the school district, a predetermined maximum number of points and the highest applicable Schools FIRST Rating are assigned to the school district.
 - Indicators 5, 6, 16, 17, 20 and 21 are ceiling indicators.

2024 Available Ratings

- A school district is assigned one of four letter grades as well as a coinciding financial management

FINAL RATING	RANGE	DISTRICTS	TOTAL
'A' – Superior Achievement	90 – 100	870	85.55%
'B' – Above Standard Achievement	80 – 89	82	8.06%
'C' – Meets Standard Achievement	70 – 79	50	4.92%
'F' – Substandard Achievement	< 70	15	1.47%
	TOTALS	1,017	100%

The Texas Education Agency (TEA) issued FIRST ratings to 1,017 school districts and charter schools across the state.

Critical Indicators

1. Was the complete annual financial report (AFR) and data submitted to 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? Yes; Passed; the District submitted data timely
2. Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.) Yes; Passed
3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? Yes; Passed
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? Yes, Ceiling Passed; Timely Payments made with no Warrant Holds issued

Solvency Indicators

5. Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability and other poste-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C=Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B=Above Standard Achievement.) Yes; Ceiling Passed

Solvency Indicators

6. 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? Yes, Ceiling Passed; the District's average change in fund balance is 5.21%
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)? 10 out of 10 points, Passed; the District had 116.29 days cash on hand

Solvency Indicators

8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover the short-term debt? 10 out of 10 points, Passed; the District's ratio is 5.5189
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? 10 out of 10 points; the District's general fund revenues exceeded the expenditures; the District has 116.29 days of cash on hand

Solvency Indicators

10. Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years? This indicator is not being evaluated and continues to be on hold; 10 points
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 increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes the indicator. 10 out of 10 points; the District's ratio of long-term liabilities to total assets is 0.5216; the District's decrease in student enrollment was 11.02%

Solvency Indicators

12. What is the correlation between future debt requirements and the district's assessed property value? 10 out of 10 points; the District's debt per \$100 of assessed property value ratio is 3.8598
13. Was the school district's administrative cost ratio equal to or less than the threshold ratio. 6 out of 10 points; the District Administrative Cost Ratio is 17.89% (18.37% in FY22)
14. 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. 0 out of 10 points; the District's ratio over 3 years 17.87%

Financial Competency Indicators

15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? This indicator is not being evaluated and continues to be on hold; 5 points

16. Did the comparison of Public Education Information Management Systems (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? Ceiling Passed; variance of 00.36%

Financial Competency Indicators

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?

Ceiling Passed

18. 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? Passed; 10 out of 10 points

Financial Competency Indicators

19. 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? Passed; 5 out of 5 points
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? Ceiling Passed
21. Did the school receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of its financial hardship? Ceiling Passed; This is a new indicator related to adjusted repayment schedules for more than one year due to FSP over-allocation.



2023 - 2024 School FIRST Rating

'B' = Above Standard Achievement

District Score: 86/100



Texas Administrative Code

Title 19 Chapter 109 Disclosure A

- A copy of the 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))*

**Santa Maria Independent School District
Contract of Employment for Superintendent**

State of Texas §
County of Cameron §

Contract Terms

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 hereby agree as follows:

- 1. Parties**
 - 1.1.** This Contract of Employment for Superintendent ("Contract") is entered into by the Board of Trustees ("Board") of the Santa Maria Independent School District ("SMISD" or "District"), and Dr. Joseph Villareal ("Superintendent"), effective on the 15th day of July 2024.
- 2. Term**
 - 2.1.** The Board, by and on behalf of the District, hereby employs the Superintendent, and the Superintendent hereby accepts such employment, for a term commencing on July 15th, 2024 and ending on June 30, 2027 ("Contract Term").
 - 2.2.** 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.
- 3. Professional Certification, Credential, and Records**
 - 3.1.** This Contract is 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.
 - 3.2.** The Superintendent agrees to maintain the required certification throughout his term of employment with the District. If the Superintendent's certification expires, is canceled, or revoked, or otherwise becomes invalid, this Contract is automatically void effective immediately.
- 4. Representations**
 - 4.1.** 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 criminal history records search acceptable to the Board, at its sole discretion, is a condition precedent to this Contract.
- 4.2.** The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statement or misrepresentation, omissions or 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.

5. Duties

- 5.1. General.** The Superintendent of Schools is the educational leader and chief executive officer of the District and shall faithfully perform all such duties as prescribed by state law including Texas Education Code ("Education Code" or "TEC"), sections 11.201(d), 11.1512 and 11.1513, Board policies, in the job description, as may be 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), and other applicable provisions of the Texas Education Code. All duties assigned by the Board shall be appropriate to and consistent with applicable law and 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.
- 5.2. 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.
- 5.3. Complaints and Suggestions.** The Board, individually and collectively, shall refer all substantive criticisms, complaints, and suggestions from staff and/or third parties to the Superintendent for review and appropriate action. The Superintendent will either refer such matter(s): (a) 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 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. The Superintendent shall refer all substantive complaints from staff and/or third parties regarding a Board member to the Board President for review and

7. Annual Performance Goals & Evaluation

- 7.1. Development of Goals.** The Board shall work collaboratively with the Superintendent each year to prepare a list of goals for the District. The Superintendent shall submit to the Board a preliminary list of goals for the District each year for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve or revise the list of goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet semiannually to assess the goals and may adjust or revise the goals either by action of the Board or upon recommendation of the Superintendent and approval of the Board. The goals approved by the Board shall always be reduced to writing ("District Goals") and shall be among, but not limited to, the criteria on which the Superintendent's performance is reviewed and evaluated. The District Goals 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. The District Goals shall be mutually agreeable to the Superintendent and the Board.
- 7.2. Evaluation.** The Board shall evaluate and assess the performance of the Superintendent in writing at least once each year during the term of this Contract in the month of February of every year, or at such other times as the Board deems necessary or appropriate. The evaluation and assessment of performance shall be in accordance with the Board's policies and state and federal law, and shall be related to the duties of the Superintendent as prescribed by law, Board policies, the Superintendent's job description, and as outlined herein, and shall be based on the District's progress towards accomplishing the District Goals. If the Board determines that the Superintendent's performance is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, the basis for such determination. The Board shall provide the Superintendent with a copy of the written evaluation. The Superintendent shall have the right to make a written response to the evaluation. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. The Board may meet with the Superintendent to discuss the evaluation within a reasonable time after it is delivered to the Superintendent. The Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board. The evaluation shall be confidential to the extent permitted by law. If 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, such modifications must be adopted with input from the Superintendent and the Superintendent shall be provided a reasonable period to demonstrate such expected performance before being evaluated.
- 7.3. Confidentiality.** Unless the Superintendent expressly requests otherwise in writing, 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

- action. If the complaint is about the Board President, the Superintendent shall refer the complaint to the next most senior non-implicated Board officer.
- 5.4. Outside Consulting/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.
- 5.5. 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 Superintendent's evaluation or performance, when the Board is acting in its capacity as a tribunal or considering concerns or complaints about a Board member, or for purposes of resolving conflicts between individual Board members.
- 5.6. 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.

6. Compensation & Benefits

- 6.1. Annual Base Salary.** SMISD shall pay the Superintendent an annual base salary of one hundred fifty thousand and no/100 dollars (\$150,000.00) during the Contract Term. The District shall pay the Superintendent's annual base salary in equal monthly installments according to its standard payroll practices. The Board may, in its discretion, review and adjust the salary of the Superintendent, during the term of this Contract, but 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. 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.
- 6.2. 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, any stipends/bonuses/incentives. 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.
- 6.3. Group Health and Dental Insurance.** The District will pay the Superintendent's health and dental insurance of his choosing under the current District's plan.
- 6.4. Local and State Leaves.** 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 taken in a single period or at different times. The leave days taken by the Superintendent will be taken at such times or 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 may be requested to be paid out at the end of the school year

evaluation with their respective legal counsel, used in a termination or nonrenewal proceeding or in legal proceedings filed by the Superintendent.

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, 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 he 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 his 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 Board shall not be required to pay any costs, including attorney's fees, related to any legal proceedings in which the Board and the Superintendent are adverse parties.
- 8.3.** During the term of this Contract, the Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District and/or its employees.
- 8.4.** After termination of this Contract, the Superintendent agrees to provide assistance to and cooperate with the District, its Board, Trustees, agents, and attorneys in response to, or in defense of, any demand, claim, complaint, suit, action or legal proceeding brought against the District, Board, its Trustees, or agents, arising from any acts or events alleged to have occurred during the term of the Superintendent's employment with the District, at no cost

by the Superintendent at his daily rate, or be rolled over to the next school year in accordance with Board Policy. The daily rate shall be calculated by dividing the Superintendent's TRS creditable compensation by 226. 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 number of personal leave days as authorized by the Board for all professional employees, the days to be taken in a single period or at different times.

- 6.5. Professional Organizations and Civic Engagement.** 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 and participation in appropriate professional meetings, seminars, conferences, or courses at the local, regional, state, and national level in the capacity as Superintendent of SMISD. 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 meetings, seminars, conferences, or courses. As part of Superintendent's professional development, the Superintendent, with prior approval of the Board president, may hire an educational executive coach. The cost of such services shall be borne by the District and must be approved in advance by the Board president. Expenses for attending professional meetings at the local, state or national level may be reimbursed subject to the availability of funds budgeted, policy limitations and as pre-authorized by the Board. The District shall pay for the Superintendent's membership dues to the Texas Association of School Administrators and other professional organizations selected by the Superintendent, the purpose of which is to benefit the District, subject to the availability of funds budgeted by the District for this amount. The Board encourages the Superintendent to become a member of and participate in professional associations and 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 District shall reimburse the Superintendent the cost of membership in all local civic organizations in which the Superintendent participates, subject to advance Board approval.
- 6.6. Travel.** The Superintendent shall be paid a monthly travel stipend in the amount of \$500.00 in consideration for all travel conducted on behalf of the District within Region One Education Service Center jurisdiction. For all official district travel conducted beyond Region One Education Service Center jurisdiction, the Superintendent shall be reimbursed for travel consistent with established local policies and administrative regulations. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.
- 6.7. Business Expenses.** Subject to applicable law, the District shall pay or reimburse the Superintendent for reasonable and necessary reimbursable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract from funds budgeted for that purpose. Such expenses shall include, but are not

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. The Superintendent's availability and consultation, under the terms and conditions of this Section, will be subject to any reasonable request for consultation not interfering with the Superintendent's then-current employment. 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 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 consent of the Board 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 with or without reasonable accommodation 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. If the Superintendent is determined to be disabled and incapable of resuming all of his material duties and obligations of employment with or without reasonable accommodation by a physician mutually acceptable to the Board and Superintendent, the District and the Superintendent hereby mutually agree that this Contract will terminate at that time without the necessity of any further action by the Board or the Superintendent, and the Superintendent hereby waives all of his rights to a lawsuit in consideration for the lump-sum payment of six months' salary and benefits under this Contract. Upon termination of this Contract to return to his duties, the Superintendent shall submit to a medical examination by a physician mutually acceptable to the Board and the Superintendent, the cost of such examination to be paid by the District. The physician shall limit the report to the issue of whether the

Superintendent has a continuing disability that prohibits his from performing any or all of his essential duties with or without reasonable accommodation.

9.4. ~~Renewal/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. Intentional falsification or material omission of information required on an employment application or other documents submitted in connection with employment with the District;

9.5.19. Failure to take reasonable steps to maintain an effective working relationship with the Board; or

9.5.20. Any other reason constituting "good cause" under Texas law or this Contract.

9.6. Suspension. In accordance with Texas Education Code Chapter 21, the Board may suspend the Superintendent without pay during the term of this Contract for good cause as determined by the Board. The Superintendent shall be provided all procedural and substantive rights as set forth in the Board's policies and applicable state and federal law.

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 performable 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. Complete Agreement. This Contract embodies the entire understanding and agreement of the parties and supersedes all other agreements for the term covered by this Contract and understandings, both written and oral. Any additions, deletions, or modifications to the terms and conditions of this Contract, including but not limited to changes in the term of the Contract or the base annual salary of the Superintendent, shall only be made by written addendum signed by both parties. Both parties acknowledge and agree that they have had

the opportunity to consult with legal counsel of their choosing in the negotiation and execution of this Contract.

10.4. Notices

10.4.1. The Superintendent agrees to keep a current address on file with SMISD'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, and/or express delivery service to the Superintendent's address of record.

10.4.2. 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, and / or express delivery service to the Board President and Secretary's addresses of record, as provided by the District.

10.5. 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 contrary provisions of the Board's policies or any such permissive law during the term of the Contract; provided, however, the Parties agree to comply fully with Board policies and nothing in this paragraph relieves a Party's compliance with those policies.

10.6. 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.

10.7. 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.

10.8. Nepotism. With the exception of any individuals already employed by the District as of the date of this Contract and as otherwise permitted by state law, the District will not employ, and the Superintendent will not recommend for employment, any individual related to the Superintendent within the third degree of consanguinity (relation by blood) or second degree of affinity.

10.9. 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.

10.10. 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.

10.11. Acknowledgements. 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.

10.12. 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 12th, 2024.

SIGNATURE PAGE TO FOLLOW

EXECUTED this, the 12th, day of July, of the year 2024.


Adolfo Hinojosa, Board President
Santa Maria Independent School District


Dr. Joseph Villarreal, Superintendent of Schools
Santa Maria Independent School District

Attest: 
School Board Secretary
Santa Maria Independent School District

Texas Administrative Code

Chapter 109 Disclosure B

- Reimbursements received by the Superintendent and Board Members for the twelve-month ended August 31, 2023
- Summary Schedule for the fiscal year ended August 31, 2023 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.

Texas Administrative Code Chapter 109 Disclosure B

For the Twelve-month Period Ended August 31, 2023

DESCRIPTION OF REIMBURSEMENTS	Martin Cuellar, Superintendent	Andy De La Rosa, Pl. 1	Javier Jimenez, Pl. 2	Michele Garcia, Pl. 3	Miguel Zavala, Pl. 4	Casey Espinoza, Pl. 5	Marco Aleman, Pl. 6	Adolfo Hinojosa, Pl. 7
MEALS	\$1,782.00	\$980.00	\$650.00	\$750.00	\$1,170.00	\$1080.00	\$1,130.00	\$850.00
LODGING	\$2,152.36	\$2,958.05	\$1,955.04	\$2,083.76	\$3,294.42	\$2,974.47	\$3,058.97	\$3,517.51
TRANSPORTATION	\$4,242.89	\$2,598.53	\$2,028.45	\$1,771.90	\$2,176.22	\$1,860.38	\$2,133.66	\$2,133.66
MOTOR FUEL		\$100.00	\$100.00					
OTHER	\$816.00	\$1,784.20	\$2,343.13	\$1,933.20	\$2,619.20	\$2,621.00	\$2,619.20	\$3,144.20
TOTAL	\$8,993.25	\$8,420.78	\$7,076.62	\$6,538.86	\$9,259.84	\$8,535.85	\$8,941.83	\$9,645.37

Texas Administrative Code

Chapter 109 Disclosure C

- Outside Compensation and/or Fees received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2023
- A Summary Schedule for the fiscal year ended August 31, 2023 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 Disclosure D

- Gifts Received by the Executive Officer(s) and Board Members in Fiscal Year 2023
- A Summary Schedule for the fiscal year ended August 31, 2023 of the dollar amounts 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 Officer(s) 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 Disclosure E

- Business transactions between School District and Board Members for the fiscal year ended August 31, 2023
- A Summary Schedule for the fiscal year ended August 31, 2023 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**

Questions & Answers

Thank you!

