Financial Management Performance Report

KILGORE
Independent School District

2021-2022

District Status

Public Hearing

September 18, 2023

Kilgore ISD

Financial Accountability Management Report

This is the 20th year of School FIRST (Financial Accountability Rating System of Texas), a financial accountability system for Texas school districts developed of the Texas Education Agency in response to Senate Bill 875 of the 76th Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The School FIRST accountability Rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "A" for "Superior Achievement", "B" for "Above Standard Achievement", "C" for "Standard Achievement" and "F" for "Substandard Achievement." Districts that receive the "Substandard Achievement" ratings under School FIRST must file a corrective action plan with the Texas Education Agency. The Kilgore ISD received a rating of "A."

The rating system for the prior 19 years has varied. In each of these years Kilgore Independent School District has secured the systems highest rating available for each year.

The current system has twenty, 20, indicators with a possible score of 100. Kilgore Independent School District received a score of 94.

The "2022-2023 Ratings Based on School Year 2021-2022 Data" is attached to this report as Exhibit A. The report contains each indicator and the result for the district. Anyone wishing to receive more details in any individual indicator, or any financial matter is asked to contact the District's Chief Financial Officer or may find the data on The Texas Education Agency website.

The Superior rating is due to successful efforts of the Board of Trustees, administration, faculty and staff of Kilgore ISD. These groups have successfully utilized resources available to the district to provide a quality education to the students of Kilgore ISD. Kilgore ISD is committed to continuing the efficient and effective use of all resources.

Included in the report is information concerning the superintendent and board members and information concerning the District's financial solvency. This information, presented in Exhibit B, is being given in an attempt to comply with the provisions of Title 19, TAC, Section 109.1001 and is presented in the format recommended by the Texas Education Agency. The contract of the superintendent is available on the district website and noted in Exhibit C.

Exhibit A

2022-2023 Ratings

Based on School Year 2021-2022 Data

RATING YEAR 2022-2023 DISTRICT NUMBER district # Select An Option Help Home

FIRST

Financial Integrity Rating System of Texas

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

Name: KILGORE ISD(092902)	**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: 94	**Passing Score:** 70

#	Indicator Description	Updated	Score
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?	7/13/2023 6:19:06 PM	Yes
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.)	7/13/2023 6:19:06 PM	Yes
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.)	7/13/2023 6:19:06 PM	Yes
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 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.)	7/13/2023 6:19:06 PM	Yes Ceiling Passed
5	This indicator is not being evaluated.		
			1 Multiplier Sum
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? (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.)	7/13/2023 6:19:06 PM	Ceiling Passed

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)? See ranges below in the Determination of Points section.	7/13/2023 6:19:06 PM	10
8	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.	7/13/2023 6:19:06 PM	10
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? See ranges below in the Determination of Points section.	7/13/2023 6:19:06 PM	10
10	This indicator is not being evaluated.		10
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 or 1,000 or more students in membership, then the school district passes this indicator.)	7/13/2023 6:19:06 PM	8
12	What is the correlation between future debt requirements and the district's assessed property value?	7/13/2023 6:19:06 PM	6
13	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.	7/13/2023 6:19:06 PM	10
14	This indicator is not being evaluated.		10
15	This indicator is not being evaluated.		5
16	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.)	7/13/2023 6:19:06 PM	Ceiling Passed
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 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.)	7/13/2023 6:19:06 PM	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? (The AICPA defines material noncompliance.)	7/13/2023 6:19:06 PM	10
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?	7/13/2023 6:19:06 PM	5
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?	7/13/2023 6:19:06 PM	Ceiling Passed
			94 Weighted Sum
			1 Multiplier Sum

			(100 Ceiling)
			94 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is **F for Substandard Achievement** regardless of points earned.	
B.	Determine the rating by the applicable number of points.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

The school district receives an **F** if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is *No*.	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is *No*.	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is *No*.	89	B = Above Standard Achievement

Exhibit B

First Rating Supplement Information

Superintendent and Board of Trustees

School FIRST Annual Financial Management Report

Kilgore Independent School District

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1005. Amended to be effective 2/3/11.

Superintendent's Current Employment Contract

On District Website

Reimbursements Received by the Superintendent and Board Members for the Fiscal Year Ending 08/31/2022

For the Twelve-Month Period
Ended August 31, 2022

Description of Reimbursements	Superintendent Andy Baker	Dereck Borders	Jason Smith	Reggie Henson	Rachel Harrington	Alan Clark	Lloyd Vanderwater	Dana Sneed
Meals	69.54		-	24.27	-	-		
Lodging	2,486.46	845.91	821.46	1,687.63	882.72	563.94	809.10	711.03
Transportation	-			-				
Motor Fuel								
Other-SLI Registration	1,280.00	460.00	460.00	885.00	460.00	460.00	460.00	460.00
Total	3,836.00	1,305.91	1,281.46	2,596.90	1,342.72	1,023.94	1,269.10	1,171.03

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

For the Twelve-Month Period
Ended August 31, 2022

Name(s) of Entity(ies)	Amount Received $
None Reported	
Total	$0.00

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

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)

For the Twelve-Month Period
Ended August 31, 2022

	Superintendent Andy Baker	Dereck Borders	Jason Smith	Reggie Henson	Rachel Harrington	Alan Clark	Lloyd Vanderwater	Dana Sneed
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Business Transactions Between School District and Board Members

For the Twelve-Month Period
Ended August 31, 2022

	Dereck Borders	Jason Smith	Reggie Henson	Joe Parker	Alan Clark	Lloyd Vanderwater	Dana Sneed
Amounts	0.00	0.00	0.00	0.00	0.00	$ 1,640.00 **	0.00

** Transactions between School District and Drover Energy, LLC

Exhibit C

Superintendent Contract

Superintendent's Contract Available on KISD Website

SUPERINTENDENT'S TERM EMPLOYMENT CONTRACT

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

THIS SUPERINTENDENT'S TERM EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 27 day of January, 2022, by and between the Board of Trustees (the "Board") of Kilgore Independent School District (the "District") and Emmett Andrew Baker (the "Superintendent").

WITNESSETH:

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

I. Term

1.1 **Term.** The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term commencing July 1, 2022, and ending June 30, 2025. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.

1.2 **No Tenure.** The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Contract. No property interest, express or implied, is created in continued employment beyond the Contract term.

II. Employment

2.1 **Duties.** The Superintendent shall faithfully perform the duties of Superintendent of Schools for the District as prescribed by law, Board policies, the job description, and as may be lawfully assigned by the Board from time to time. The Superintendent shall comply with all lawful Board directives, policies, rules and regulations, and state and federal laws, as they exist or may hereafter be amended or adopted during the term of this Contract. Except as provided in this Contract, the Superintendent agrees to devote his full time, energy and skill to the performance of these duties in a faithful, diligent, conscientious, and efficient manner.

The Superintendent shall have charge of the administration of the schools under the oversight and supervision of the Board. He shall be the chief executive officer of the District; shall direct and assign teachers and other employees of the schools under his supervision; shall organize, reorganize and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the District; shall select personnel in accordance with Board policy; shall from time to time suggest regulations, rules and procedures deemed necessary for the efficient operation of the District; and in general perform all duties incident to the office of the Superintendent and such duties. The Superintendent shall perform the duties of the

Superintendent of Schools for the District with reasonable care, diligence, skill, and expertise. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

2.2 **Professional Certification.** The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency and any other certificates required by law.

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

2.4 **Board Meetings.** The Superintendent or designee shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, salary or benefits; evaluation of the Superintendent's performance; or for purposes of resolving conflicts between individual Board members; or when the Board is acting in its capacity as a tribunal. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

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

2.6 **Indemnification.** To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any such demand claim, suits, actions, judgments, expenses, and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any cost, fees, expenses, or damages that would be recoverable or payable under an insurance contract held either by District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be

construed and modified accordingly. The provisions of this Section 2.6 shall survive the termination of this Contract.

The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in any such proceedings.

The Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The Superintendent's obligation under this paragraph shall continue after the termination of this Contract.

2.7 **Residency.** The Superintendent agrees to establish and maintain his principal place of residence within the boundaries of the District for the duration of this Contract.

III. Compensation

3.1 **Annual Salary.** The District shall provide the Superintendent with an annual salary in the sum of One Hundred Seventy-Two Thousand One Hundred Twelve Dollars ($172,112.00). This annual salary rate shall be paid to the Superintendent in monthly installments consistent with the District's policies.

3.2 **Texas Teacher Retirement System.** For performance of Superintendent duties, the District shall supplement the Superintendent's annual compensation by an amount equal to the Superintendent's annual portion of the member contribution to the Texas Teacher Retirement System ("TRS") beginning on the first day of the Term and continuing throughout the Term of this Contract, including any extensions made by the Board. 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.

3.3. **Salary Adjustments.** At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract except by mutual consent except that mutual consent shall not be required in the event of a reduction under Section 3.3 of this Contract.

3.4 **Amendment/Financial Exigency**. The Board may amend the terms of this Contract, including the compensation, on the basis of financial exigency declared under Texas Education Code § 44.011 that requires a reduction in personnel. If this Contract is amended under this section 3.3, the Superintendent may resign without penalty by providing reasonable notice to the Board and may continue employment for that notice period under the terms of this Contract as they existed before being amended.

3.5 **Vacation, Holiday and Personal Leave.** The Superintendent may take, at the Superintendent's choice, ten (10) days of vacation annually or the same number of days of vacation authorized by policies adopted by the Board for administrators on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the

Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. 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 personal leave benefits as authorized by Board policies for administrative employees on twelve-month contracts.

3.6 **Health Insurance.** The Superintendent may receive health insurance coverage on the same terms as those available to all District administrative employees.

3.7 **Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the Superintendent's continued professional growth and shall permit a reasonable amount of release time, as the Superintendent and Board deem appropriate, to attend seminars, courses, or meetings in accordance with Board policies.

3.8 **Professional Dues.** The District shall pay the Superintendent's membership dues in the Texas Association of School Administrators each fiscal year.

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

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

3.11 **Outside Consultant Activities.** The Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the District (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District. The Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to the District. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

IV. Annual Performance Goals

4.1 **Development of Goals.** The Superintendent shall submit to the Board each year, for the Board's consideration and adoption, a preliminary list of goals for the District. The 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 goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board agrees to work with and support the Superintendent in achieving the District Goals.

V. Review of Performance

5.1 **Time and Basis of Evaluation.** The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based at least in part on the District's progress towards accomplishing the District Goals.

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

5.3 **Evaluation Format and Procedures.** The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law. In the event that the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. A copy of the written evaluation shall be delivered to the Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. In the event the Board deems that the evaluation instrument, format, and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

VI. Extension, Nonrenewal, or Termination of Employment Contract

6.1 **Extension/Nonrenewal.** Extension of this contract before the end of the current term is within the Board's discretion. Nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, Subchapter E, and applicable law.

6.2 **Termination by Mutual Agreement.** This Agreement may be terminated by the mutual agreement of the parties in writing and upon such terms and conditions as may be agreed upon.

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

6.4 **Disability of Superintendent.** Should the Superintendent become unable to perform any or all of the duties of his position by reason of illness, accident, or other cause, and said disability exists after all accrued leave has been exhausted, the District may make appropriate deduction from the Superintendent's annual salary for any additional days in which the Superintendent is unable to perform the duties of his position. If such disability continues for a continuous period of one hundred eighty (180) days, or if such disability is permanent or irrevocable as determined by a physician mutually acceptable to the Board and the Superintendent or his representative, the Board may, at its option, terminate this Contract, whereupon the respective rights, duties and obligations herein stated shall terminate, unless specifically provided to the contrary.

If a question arises concerning the capacity of the Superintendent to return to his duties, the Board may require the Superintendent to submit to a medical examination to be performed by a doctor licensed to practice medicine in the State of Texas and who is mutually acceptable to the Board and the Superintendent. The examination shall be done at the expense of the Board. The physician shall limit the report to the issue of whether the Superintendent has a continuing disability that prohibits him from performing any or all of his duties.

6.5 **Termination for Good Cause.** The Board may dismiss the Superintendent during the term of the Contract for good cause. The term "good cause" includes, but is not necessarily limited to the following:

a. Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
b. Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any remediable incompetency or inefficiency;
c. Insubordination or failure to comply with lawful written Board directives;
d. Failure to comply with the Board's policies or the District's administrative regulations;
e. Neglect of duties;
f. Drunkenness or excessive use of alcoholic beverages;
g. Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
h. Conviction of a felony or crime involving moral turpitude;
i. Failure to meet the District's standards of professional conduct;
j. Assault on an employee or student;
k. Knowingly falsifying records or documents related to the District's activities;
l. Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
m. Failure to fulfill requirements for superintendent certification;

n. Failure to maintain a strong moral character in accordance with the Board's expectation that the Superintendent set himself forth as an example to the District and community as a person of high morals and good character; or

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

6.6 **Termination Procedure.** In the event that the Board terminates this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law. If the Superintendent chooses to be represented by legal counsel in any such proceedings, he shall bear any costs therein involved.

6.7 **Resignation of Superintendent.** The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following year. The Superintendent also may resign without penalty in accordance with Section 3.3 of this Contract. The Superintendent may resign with the consent of the Board at any other time.

VII. Miscellaneous

7.1 **Controlling Law and Venue.** Texas law shall govern construction of this Contract. The Parties agree that venue for any litigation relating to the Superintendent's employment with the
District, including this Contract, shall be Gregg County, Texas. If litigation is brought in federal court, the Parties agree that venue shall be the Tyler Division of the Eastern District of Texas.

7.2 **Complete Agreement.** This Contract constitutes the entire agreement between the Parties. All existing agreements and contracts, both verbal and written, between the Parties regarding the employment of the superintendent are superseded by this Contract, except that the terms of the Parties' immediately preceding written contract of employment shall remain in effect until the commencement of the term set forth in paragraph 1.1. of this Contract.

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

7.4 **Savings Clause.** If any provision in this Contract is, for any reason, held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. This Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been a part of the Contract.

7.5 **Amendment**. This Contract may not be amended except by written agreement of the Parties.

7.6 **Paragraph Headings.** The headings used at the beginning of each numbered paragraph in this Contract are not intended to have any substantive, legal effect; the headings do not limit or expand the meaning of the paragraphs that follow them.

[Remainder of this page intentionally blank. Signature Page Follows]

EXECUTED and EFFECTIVE the 27 day of January, 2022.

KILGORE INDEPENDENT SCHOOL DISTRICT

By: _____
Reggie Henderson, President
Board of Trustees

SUPERINTENDENT

By: _____
Emmett Andrew Baker

ATTEST:

By: _____
Lloyd Vanderwater, Secretary
Board of Trustees