CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
5228 OHIO GARDEN ROAD • RIVER OAKS, TEXAS 76114-3729
RENEE SMITH-FAULKNER, SUPERINTENDENT OF SCHOOLS
817.252.2010

August 2025

Re: New Legal Restrictions on Outside Employment for District Administrators

Dear Castleberry ISD Administrators,

During the 89th Legislative Session, the Texas Legislature passed H.B. 3372, directly impacting District administrators. The legislation, which is currently in effect, **prohibits District administrators from receiving any financial benefit for the performance of personal services** for certain entities, including:

1. Any business entity that does business with the administrator's employing district (Castleberry ISD);
2. An education business providing curriculum or administration services to any ISD; or
3. Another ISD, Education Service Center, or Open Enrollment Charter School.

The law defines an "administrator" as any employee who has significant administrative duties relating to the operation of the district, including the operation of a campus, program, or other subdivision of the district. This may include assistant principals, principals, directors, executive directors, etc. The bill specifically excludes classroom teachers and District Board of Education trustees from its scope.

Each violation by an administrator can result in a $10,000 civil penalty assessed against the administrator, payable to the state of Texas.

For services provided under sections 2 and 3 indicated above, an administrator can avoid a penalty by obtaining approval from the District's Board of Trustees. To qualify for the exception, the contract or agreement must be presented to the District's Board of Trustees, and the Board must determine that:

1. The contract will not harm the district;
2. The contract does not present a conflict of interest; and
3. The services to be performed by the administrator will be performed entirely during the administrator's own time.

Key terms in the bill are not clearly defined. The bill does not define "personal service," leaving it unclear as to whether activities like mentoring, serving on a different school

board, or volunteering, if an honorarium or other type of financial gain is received, are restricted. Other areas of the law specifically exempt travel, lodging, and meal reimbursements from the definition of benefits, but the same is not true for H.B. 3372.

It is the personal responsibility of each District administrator to ensure compliance with the law. Administrators who engage in outside work, mentoring, or volunteering need to exercise caution and evaluate those activities for potential conflicts and risks under H.B. 3372. **The potential penalties apply to the individual administrator, not the District.**

If you currently have, or are contemplating entering into, a contract or other agreement covered by sections 2 and 3 that you would like to be presented to the District Board of Trustees for a possible exception, please complete the attached **Request Form** and submit to talent@castleberryisd.net.

Sincerely,

Renee Smith-Faulkner
Superintendent of Schools

CASTLEBERRY ISD
5228 OHIO GARDEN ROAD, RIVER OAKS, TX 76114
817.252.2000

REQUEST FOR BOARD APPROVAL OF CONTRACT FOR PERSONAL SERVICES

Administrator Name _____

Job Title _____

Company / Entity the Administrator seeks to contract with to provide personal services:

Description of services provided:

Please explain how this contract will not harm Castleberry ISD:

Does this contract present a conflict of interest with your work with Castleberry ISD? Please explain why or why not.

Will you perform the services entirely on your own personal time? Yes ☐ No ☐

_____ _____

Administrator Signature Date

Include a copy of the contract or agreement with this form upon submission and email it to talent@castleberryisd.net.