

2017 Schools First Financial Accountability Rating System

Public Hearing

October 16, 2017

PRESENTED BY:

DEANNA CLAVELL, COORDINATOR OF FINANCIAL REPORTING

Background

- Adopted during the 1999 Legislature
- Implemented in 2003
- Based on district staff, student, and financial data for a previous fiscal year as reported through the State's PEIMS system
- Financial Integrity Rating System of Texas (FIRST)
- To achieve quality performance in the management of school districts' financial resources

Background (cont.)

- Changes in the Commissioner's Rule for School FIRST that were finalized in August 2015
- Changes were authorized by HB5, Section 49, 83rd Texas Legislature
- HB5 amended Section 39.082 TEC to require the Commissioner of Education to include processes in the financial accountability rating system for anticipating the future financial solvency of each school district

Background (cont.)

- Phase III of III
 - 2017 includes 15 indicators
 - Worksheets for 2017 required higher scores for select ratings compared to the worksheet for rating year 2016
- Assigns Financial Accountability Ratings to School Districts:
 - (A) for “Superior” (90-100)
 - (B) for “Above Standard” (80-89)
 - (C) for “Meets Standard” (60-79)
 - (D) for “Substandard Achievement” (<60)

Indicator 1

- Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?

YES

NO

Indicator 2.A

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

YES

NO

Indicator 2.B

- Did the external independent auditor report that the AFR was free of any instance(s) of material weakness in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)

YES

NO

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 the following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on a 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

NO

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?

YES

NO

Indicator 5

- Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, than the school district passes this indicator.)

YES

NO

Indicator 6

- Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?
- Formula
 - $\text{Cash and Equivalents} + \text{Current Investments} / \text{Total Expenditures} - \text{Facilities Acquisition and Construction} * 365 \text{ Days}$
 - $22,033,465 + 0 / 88,131,590 - 2,329,309 * 365$
- Solution
 - 93.7296

10	8	6	4	2	0
≥ 90	< 90 ≥ 75	< 74 ≥ 60	< 60 ≥ 45	< 45 ≥ 30	< 30

Indicator 7

- Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?
- Formula
 - Current Assets/Current Liabilities
 - 39,813,909 / 9,774,575
- Solution
 - 4.0732

10	8	6	4	2	0
≥ 3.00	< 3.00 ≥ 2.50	< 2.50 ≥ 2.00	< 2.00 ≥ 1.50	< 1.50 ≥ 1.00	< 1.00

Indicator 8

- Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change in student membership over 5 years was 10 percent or more, then the school district passes this indicator.)
- Formula
 - $2016 \text{ Total Students} - 2012 \text{ Total Students} / 2012 \text{ Total Students}$
 - $10,828 - 9,509 / 9,509$
- Solution
 - .1387

10	8	6	4	2	0
≤ 0.60	> 0.60 ≤ 0.70	> 0.70 ≤ 0.80	> 0.80 ≤ 0.90	> 0.90 ≤ 1.00	> 1.00

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 cash on hand greater or equal to 60 days?
- Formula
 - Total
 - $89,974,673 / 88,131,590 - 2,329,309 - 1$
- Solution
 - .0486 or 4.86%

10	0
$\geq 0\%$	$< 0\%$

Indicator 10

- Was the debt service coverage ratio sufficient to meet the required debt service?
- Formula
 - $(\text{Total Revenues} - \text{Total Expenditures} + \text{Debt Service (functions 71, 72, \& 73)} + \text{Fund Code 599 (Debt Service fund balance)} + \text{Function 81}) / \text{Debt Service (function 71, 72, \& 73)}$
 - $100,374,090 - 97,975,244 + 10,482,457 + 3,343,415 + 2,329,309 / 10,482,457$
- Solution
 - 1.77

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

Indicator 11

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

Ratio = .0786

ADA = 10,009

ADA Size	10	8	6	4	2	0
10,000 and Above	≤ 0.0855	$> 0.0855 \leq 0.1105$	$> 0.1105 \leq 0.1355$	$> 0.1355 \leq 0.1605$	$> 0.1605 \leq 0.1855$	> 0.1855
5,000 to 9,999	≤ 0.1000	$> 0.1000 \leq 0.1250$	$> 0.1250 \leq 0.1500$	$> 0.1500 \leq 0.1750$	$> 0.1750 \leq 0.2000$	> 0.2000
1,000 to 4,999	≤ 0.1151	$> 0.1151 \leq 0.1401$	$> 0.1401 \leq 0.1651$	$> 0.1651 \leq 0.1901$	$> 0.1901 \leq 0.2151$	> 0.2151
500 to 999	≤ 0.1311	$> 0.1311 \leq 0.1561$	$> 0.1561 \leq 0.1811$	$> 0.1811 \leq 0.2061$	$> 0.2061 \leq 0.2311$	> 0.2311
Less than 500	≤ 0.2404	$> 0.2404 \leq 0.2654$	$> 0.2654 \leq 0.2904$	$> 0.2904 \leq 0.3154$	$> 0.3154 \leq 0.3404$	> 0.3404
Sparse	≤ 0.3364	$> 0.3364 \leq 0.3614$	$> 0.3614 \leq 0.3864$	$> 0.3864 \leq 0.4114$	$> 0.4114 \leq 0.4364$	> 0.4364

Indicator 12

- Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)

10	0
Yes	No

Indicator 13

- Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3% of all expenditures by function?

10	0
< 3%	>= 3%

Indicator 14

- Did the external independent auditor report that the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)

10	0
Yes	No

Indicator 15

- Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

10	0
Yes	No

RESULTS

- The Belton Independent School District received a 100/100 possible points (A) for “Superior Achievement” for 2017. This rating is based on the 2015-2016 fiscal year data and is a perfect score.

A. Did the district answer 'No' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is **F for Substandard Achievement** regardless of points earned.

B. Determine the rating by the applicable number of points. (Indicators 6-15)

A = Superior 90-100

B = Above Standard 80-89

C = Meets Standard 60-79

F = Substandard Achievement <60

FIRST Indicators

- The determination of rating by applicable points is more restrictive in your ability to score an Above Standard or Superior Rating on the FIRST.

Determine the rating by the applicable number of points. (Indicators 6-15)

	2017 (Current)	2016 (Previous)
A = Superior	90-100	70-100
B = Above Standard	80-89	50-69
C = Meets Standard	60-79	31-49
F = Substandard Achievement	0-59	<31

Discussion

- Questions
- Comments

Belton Independent School District

Belton, Texas



Annual Financial Management Report

2017 Schools FIRST Rating

(Audit data reported for the fiscal year ending August 31, 2016)



Disclosures

Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2016. In lieu of publication in the Schools FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. **If published on the Internet**, the contract is to remain accessible for twelve months.



Disclosures

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2016

For the Twelve-month Period Ended June 30 or August 31, 2016								
Description of Reimbursements	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Meals	\$152.00	\$28.00	\$60.00	\$74.00	\$0	\$0	\$0	\$0
Lodging	2,866.06	1,513.50	1,168.71	1,807.21	563.44	538.60	461.69	538.60
Transportation	1,409.24	199.70	514.38	308.68	198.70	138.70	216.56	138.70
Motor Fuel	0	0	0	0	0	0	0	0
Other	2,010.00	860.00	860.00	860.00	860.00	535.00	535.00	535.00
Total	\$6,437.30	\$2,601.20	\$2,603.09	\$3,049.89	\$1622.14	\$1212.30	\$1213.25	\$1212.30

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2016, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.



Disclosures

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2016

For the Twelve-Month Period Ended June 30 or August 31, 2016	
Name(s) of Entity(ies)	
	\$0
Total	\$0

Note – Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.



Disclosures

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2016

For the Twelve-Month Period Ended June 30 or August 31, 2016								
	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. (Any gifts received by their immediate family as described in Government Code, Chapter 573, Subchapter B, Relationships by Consanguinity or by Affinity will be reported under the applicable school official.)



Disclosures

5. Business Transactions Between School District and Board Members for Fiscal Year 2016

For the Twelve-Month Period Ended June 30 or August 31, 2016	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.



Disclosures

Item 6 Other Information.

6. Any other information the board of trustees of the school district or open-enrollment charter school determines to be useful.

SUPERINTENDENT'S EMPLOYMENT CONTRACT

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

THIS AGREEMENT is made and entered into effective the 19th day of June 2017, by and between the Board of Trustees (the "Board") of the Belton Independent School District (the "District") and Dr. Susan Kincannon (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 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 of three (3) years, commencing on July 1, 2017, and ending on June 30, 2020. 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 is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, district policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District subject to the Board's approval. It shall be the further duty of the Superintendent to employ all other personnel consistent with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill, and expertise.

2.2 Professional Certification. The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification 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 shall attend, and shall be permitted to 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, or the Superintendent's evaluation, 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 all substantive criticisms, complaints, and suggestions called to the Board's attention to the Superintendent for study and appropriate action, and the Superintendent shall investigate such matters and inform the Board of the results of such efforts.

2.6 Indemnification. The District shall defend, hold harmless and indemnify the Superintendent regarding any claims, demands, duties, actions or other legal proceedings against the Superintendent for any act or failure to act involving the exercise of judgment and discretion within the normal course and scope of the Superintendent's duties as Superintendent of the District, to the extent and to the limit 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 criminal conduct. The District may, at its sole discretion, fulfill its obligation under this paragraph by purchasing appropriate insurance coverage for the benefit of the Superintendent. No individual member of the Board shall be personally liable for indemnifying or defending the Superintendent under this paragraph. The

District's obligation to indemnify, defend and hold the Superintendent harmless under this paragraph survives the termination of this Contract.

III. Compensation

3.1 Salary. The District shall provide the Superintendent with an annual salary in the sum of One Hundred Ninety-Eight Thousand Nine Hundred and No/100 Dollars (\$198,900.00). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

3.2 Salary Adjustments. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth pursuant to Section 3.1 of this Contract except by mutual agreement of the two parties. Such adjustments, if any, shall be made pursuant to a lawful Board resolution. In such event, the parties agree to provide their best efforts and reasonable cooperation to execute a new contract incorporating the adjusted salary.

3.3 Vacation, Holidays, Leave. The Superintendent may take, at the Superintendent's choice, subject to the Board's approval, the greater of ten (10) vacation days annually or the same number of days of vacation authorized by policies adopted by the Board for administrative employees on twelve-month contracts, the days to be in a single period or at different times. The 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. Any unused vacation days that have accrued during the previous twelve

(12) months ending on June 30, shall be carried forward by the Superintendent and 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.

3.4 Health Insurance. The District shall pay the same premiums for hospitalization, major medical and dental insurance coverage for the Superintendent pursuant to the group health care plan provided by the District for its administrative employees.

3.5 Professional Growth. The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance and participation in appropriate professional meetings at the local, regional, state, and national levels. The Board shall encourage the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent, as the Superintendent and Board deem appropriate, to attend such seminars, courses, or meetings. The District shall pay the Superintendent's membership dues to the American Association of School Administrators and the Texas Association of School Administrators, as well as other memberships necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.

3.6 In-District Travel. The District shall provide the Superintendent with an automobile allowance in the sum of Five Hundred and No/100 Dollars (\$500.00) per month.

3.7 Reimbursement for Out-of-District Travel. The District shall reimburse the Superintendent for out-of-District travel incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract at the standard mileage rate per mile as established by the Internal Revenue Service during each year of this contract.

3.8 Personal Protection. Should the life or safety of the Superintendent or her family be threatened or appear to be in danger because of her performance of official duties, the District is authorized, by a subsequent vote of the Trustees, to pay reasonable costs for the instant protection of the Superintendent and her family. Such protection, if required, will be first sought from regular police authorities.

3.9 Civic and Community. The Superintendent is encouraged to participate in community and civic affairs and the Chamber of Commerce. The expense of such activities, subject to Board approval, shall be borne by the District.

3.10 Professional Legal Liability. The District shall obtain and pay premiums for a professional legal liability insurance policy through the Superintendent's membership with a professional organization.

3.11 Outside Consultant Activities. With the prior written approval of the Board, the Superintendent may serve as a consultant to other school districts or educational agencies, lecture, engage in writing activities and speaking engagements, and engage in other activities that are of a short-term duration, at the expense of the District.

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 goals approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated.

V. Review of Performance

5.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent in January of each year during the term of this Contract ("Superintendent's Evaluation"). The Superintendent's evaluation instrument and process shall be developed and/or revised with input from the Superintendent and shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.

5.2 Confidentiality. Unless the Superintendent expressly requests otherwise in writing, 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 evaluation instrument selected by the Board in accordance with the provisions of Article V of this Contract, the Board's policies, and state and federal law. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board, such modification must be adopted at least 12 months prior to its implementation.

VI. Renewal or Nonrenewal of Employment Contract

6.1 Renewal/Nonrenewal. Renewal or nonrenewal shall be in accordance with Board policy and applicable law. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice, containing reasonable notice of the reason for the proposed nonrenewal, not later than 365 days before the last day of the contract term, containing reasonable notice of the reason(s) for the proposed nonrenewal of the Superintendent's Contract with the District.

VII. Termination of Employment Contract

7.1 Mutual Agreement. This Contract shall be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.

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

7.3 Dismissal for Good Cause. The Board may dismiss the Superintendent during the term of the contract for good cause. The term "good cause" is defined as follows:

- (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 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) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- (k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (l) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
- (m) Assault on an employee or student;
- (n) Knowingly falsifying records or documents related to the District's activities;
- (o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification;
- (q) Failure to fulfill the requirements of a deficiency plan under an Emergency Permit; or
- (r) Any other reason constituting "good cause" under Texas law.

7.4 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.

VIII. Miscellaneous

8.1 Controlling Law. This Contract shall be governed by the laws of the State of Texas and shall be performable in Bell County, Texas, unless otherwise provided by law.

8.2 Complete Agreement. This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein.

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

8.4 Savings Clause. In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

8.5 Acceptance. This offer will expire unless signed and returned to the Board or its authorized representative by 5:00 p.m., the 31st day of July, 2017.

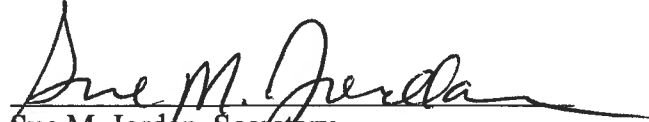
BELTON INDEPENDENT SCHOOL DISTRICT

By:

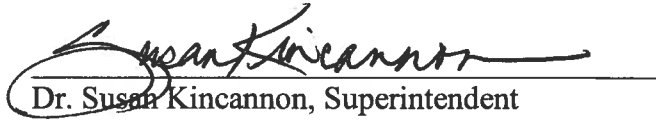


Randy Pittenger, President

ATTEST:



Sue M. Jordan, Secretary
Board of Trustees of the
Belton Independent School District



Dr. Susan Kincannon, Superintendent