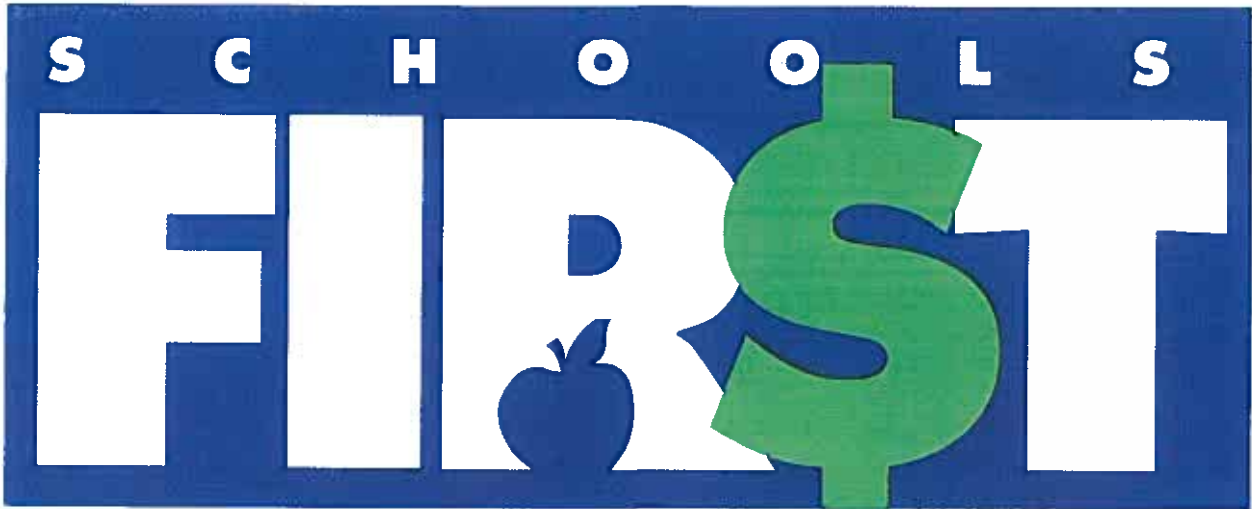


**Dripping Springs
Independent School District**



FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

**2010 Annual Financial
Management Report
For the Year Ending June 30, 2009**

**Dr. Mard Herrick, Superintendent of Schools
Dwane Shropshire, Assistant Superintendent for Business Operations**

**DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHOOLS FIRST REPORT FOR 2008-2009**

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Introduction

Senate Bill (SB) 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system, which is officially referred to as **Schools FIRST**. The primary goal of **Schools 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.

Many business-related issues are covered in this report. The primary reporting tool, however, is the Financial Accountability Ratings Worksheet. This worksheet was developed by representatives of the Texas Education Agency (TEA), the Texas Business & Education Council (TBEC) and the Texas Association of School Business Officials (TASBO). It is administered by TEA and calculated on information submitted to the Agency via our Public Education Information Management System (PEIMS) submission each year and other documentation procured by TEA.

The **Schools FIRST** accountability rating system has 22 indicators and 4 ratings. A district rating is based as follows:

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? OR Did The District Answer 'No' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For Summation Of The Indicator Scores (Indicators 7-24)	
	Superior Achievement	72-80 and Yes to Indicator 7
	Above Standard Achievement	64-71 or ≥ 72 and No to Indicator 7
	Standard Achievement	56-63
	Substandard Achievement	<56 or No to One Default Indicator

The accuracy of PEIMS data has always been critical on the student side of the submission, and this reporting requirement adds a high degree of importance to our finance submission each year. Districts with serious data quality problems may receive the additional rating of "*Suspended – Data Quality*."

Last year the District received a rating of "**Superior Achievement**", scoring 83 out of a possible 85 on the financial accountability worksheet. This rating was based upon data reported for the 2007-2008 school year.

Currently, the District enjoys a rating of "**Superior Achievement**". The school district's **Schools FIRST** rating is based upon an analysis of staff and student data reported for the 2008-2009 school year, and budgetary and actual financial data for the 2009 fiscal year (the fiscal period ended June 30, 2009). The worksheet itself and a discussion of its salient points follow.



Financial Integrity Rating System of Texas

2007-2008 FISCAL YEAR		2008-2009 FISCAL YEAR		
Status: Passed		Status: Passed		
Rating: Superior Achievement		Rating: Superior Achievement		
District Score: 83		District Score: 80		
#	Indicator Description	2008	2009	Description of Indicator
1	Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	Yes	Yes	School districts must legally have a fund balance to ensure adequate funding for operations. This indicator is designed to ensure that the district has a positive amount of fund balance cash (savings) that is not designated or "reserved" for a specific purpose. In other words, "Does the district have funds set aside for a rainy day?"
2	Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)	Yes	Yes	This indicator simply asks, "Did the district's total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?" Fortunately this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and that total debt may exceed the total amount of assets under certain scenarios.
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	Yes	Yes	This indicator seeks to make certain that the district has paid the bills/obligations on bonds issued to pay for school construction, etc.
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	Yes	Yes	A simple indicator. Was the Annual Financial Report filed by the deadline?
5	Was There An Unqualified Opinion in Annual Financial Report?	Yes	Yes	A "qualification" on the financial report means that the district needs to correct some of the reporting or financial controls. A district's goal, therefore, is to receive an "unqualified opinion" on its Annual Financial Report. This is a simple "Yes" or "No" indicator.
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	Yes	Yes	A clean audit of the Annual Financial Report would state that the district has no material weaknesses in internal controls. Any internal weaknesses create a risk of the district not being able to properly account for

				its use of public funds, and should be immediately addressed.
7	Did the Districts Academic Rating Exceed Academically Unacceptable?	5	5	This indicator simply asks whether the district's accreditation status is in good standing.
8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	5	5	This indicator measures the district's success in collecting the taxes owed by the community's businesses and homeowners, placing a 98 percent minimum collections standard. The district must collect 98 percent or more of the taxes, including any delinquent taxes owed from past years. A district earns up to five points under this indicator based upon its relative performance.
9	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	5	5	This indicator measures the quality of data reported to PEIMS and in the Annual Financial Report to make certain that the data reported in each case "matches up." If the difference in numbers reported in any fund type is more than 3 percent, the district "fails" this measure.
10	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)	5	5	This indicator shows the Legislature's intent for school districts to spend money on education, rather than fancy buildings, by limiting the amount of money districts can spend on debt to \$350 per student. Fortunately, the Legislature did allow for fast-growth schools to exceed this cap. A district earns up to five points under this indicator based upon its relative performance.
11	Was There NO Disclosure In The Annual Audit Report Of Material Noncompliance?	5	5	NO disclosure means the Annual Audit Report includes no disclosure indicating that the school district failed to comply with laws, rules and regulations for a government entity.
12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)	5	5	Did TEA take over control of the district due to financial issues such as fraud or having a negative fund balance? If not, the district passes this indicator.
--	Was The Percent Of Operating Expenditures Expended For Instruction More Than 65%? (Functions 11, 36, 93, 95) (Phased in over three years, 55% for 2006-2007; 60% for 2007-2008; and 65% for 2008-2009)	2	N/A	This indicator shows the district's ability to focus the majority of its funding so that it directly pays for student instruction. Student instructional costs only include expenditure categories in the reporting format followed by the NCES (National Center for Educational Statistics), which include function code 11, instruction; function code 36, extracurricular activities; function code 93, payments to cooperatives; and function code 95, payments to juvenile justice alternative education programs. A district earns up to three points under this indicator based upon its relative performance. The district may post its check register and aggregate payroll amount if its performance on Indicator 13 prevents attaining the three points.

<p>-- Was The Percent Of Operating Expenditures Expended For Instruction More Than or Equal to 65%? (Functions 11, 12, 31, 33, 36, 93, 95)</p>	2	N/A	<p>This indicator provides another perspective on the district's ability to focus the majority of its funding so that it directly pays for student instruction. Student instructional costs include expenditure categories in the reporting format followed by the NCES (National Center for Educational Statistics) plus costs reported under function code 12, libraries and media services; function code 31, guidance, counseling and evaluation services; and function code 33, medical services. A district earns up to three points under this indicator based upon its relative performance.</p>																												
<p>13 Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources And Fund Balance In General Fund?</p>	5	5	<p>Did the district overspend the budget? The district will receive a negative rating on this measure if total expenditures and other uses for the fiscal year exceeded your total funds available.</p>																												
<p>14 If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</p>	5	5	<p>Did the district over-spend on school buildings or other capital projects? This indicator measures the district's ability to construct facilities without damaging the Fund Balance.</p>																												
<p>15 Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivables) In The General Fund Greater Than or Equal to 1:1? (If Deferred Revenues Less Than Net Delinquent Taxes Receivable)</p>	5	5	<p>This indicator measures whether or not the district has sufficient cash and investments to balance Fund Balance monies such as TEA overpayments (deferred revenues). In other words, the district should have fund balance monies of its own that are at least equal to those dollars that are there due to overpayments from TEA, and should not be spending "next year's" monies this year. A district earns up to five points under this indicator based upon its relative performance.</p>																												
<p>16 Was The Administrative Cost Ratio Less Than The Threshold Ratio?</p>	5	5	<p>This indicator measures the percentage of the budget that Texas school districts spent on administration. Did the district exceed the cap in School FIRST for the district's size?</p>																												
<p>17 Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</p> <table border="1" data-bbox="233 1518 699 1682"> <tr> <td colspan="2">Indicator 17</td> <td colspan="2">Ranges for Ratios</td> </tr> <tr> <td>District Size-No. of Students Between</td> <td></td> <td>Low</td> <td>High</td> </tr> <tr> <td>< 500</td> <td></td> <td>7</td> <td>22</td> </tr> <tr> <td>500 - 999</td> <td></td> <td>10</td> <td>22</td> </tr> <tr> <td>1,000 - 4,999</td> <td></td> <td>11.5</td> <td>22</td> </tr> <tr> <td>5,000 - 9,999</td> <td></td> <td>13</td> <td>22</td> </tr> <tr> <td>=> 10,000</td> <td></td> <td>13.5</td> <td>22</td> </tr> </table>	Indicator 17		Ranges for Ratios		District Size-No. of Students Between		Low	High	< 500		7	22	500 - 999		10	22	1,000 - 4,999		11.5	22	5,000 - 9,999		13	22	=> 10,000		13.5	22	5	5	<p>This indicator measures the pupil-teacher ratio to ensure that it is within TEA's recommended ranges for the district's student population range. For example, districts with a student population between 500 and 1,000 should have no more than 22 students per teacher and no fewer than 10 students per teacher. A district earns up to five points under this indicator based upon its relative performance.</p>
Indicator 17		Ranges for Ratios																													
District Size-No. of Students Between		Low	High																												
< 500		7	22																												
500 - 999		10	22																												
1,000 - 4,999		11.5	22																												
5,000 - 9,999		13	22																												
=> 10,000		13.5	22																												
<p>18 Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</p> <table border="1" data-bbox="233 1822 699 1944"> <tr> <td colspan="2">Indicator 18</td> <td colspan="2">Ranges for Ratios</td> </tr> <tr> <td>District Size-No. of Students Between</td> <td></td> <td>Low</td> <td>High</td> </tr> <tr> <td>< 500</td> <td></td> <td>5</td> <td>14</td> </tr> <tr> <td>500 - 999</td> <td></td> <td>5.8</td> <td>14</td> </tr> <tr> <td>1,000 - 4,999</td> <td></td> <td>6.3</td> <td>14</td> </tr> </table>	Indicator 18		Ranges for Ratios		District Size-No. of Students Between		Low	High	< 500		5	14	500 - 999		5.8	14	1,000 - 4,999		6.3	14	5	5	<p>This indicator measures the pupil-staff ratio to ensure that it is within TEA's recommended ranges for the district's student population range. For example, districts with a student population between 500 and 1,000 should have no more than 14 students per staff member and no fewer than 5.8 students per district employee. A district earns up to five points under this indicator</p>								
Indicator 18		Ranges for Ratios																													
District Size-No. of Students Between		Low	High																												
< 500		5	14																												
500 - 999		5.8	14																												
1,000 - 4,999		6.3	14																												

	5,000 - 9,999 => 10,000	6.8 7	14 14	
19	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?	5	5	based upon its relative performance. The district's audit provides an optimum General Fund "Fund Balance" for the district. The district should have no less than one-half and no more than one and one-half times this amount in the Fund Balance, counting both reserved and unreserved fund balances. A district earns up to five points under this indicator based upon its relative performance
20	Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund, Then District Receives 5 Points)	5	5	Is the district "feeding off of the Fund Balance" to pay for salaries or other operating expenses? This indicator notes rapid decreases in the undesignated Fund Balance (those dollars not designated as a "land fund" or "construction fund") or emergency fund. A district earns up to five points under this indicator based upon its relative performance.
21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	5	5	Does the district have cash in the bank, and/or investments?
22	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) More Than \$20 Per Student?	4	5	Is the district using the cash or reserve fund (Fund Balance) monies wisely? A district earns up to four points under this indicator based upon its relative performance.

Critical Indicators

Criteria #1 through #6 are the critical indicators. Any "NO" response in this category is a signal indicator of fiscal distress. These six criteria revolve around the audit report, fund

Overview of the Worksheet

balance and the auditor's findings. School Districts must legally have a fund balance to ensure adequate funding for operations. If General Fund Balance is greater than zero and the auditors issue a "clean" opinion, a District will pass the critical indicators. For the 2009 fiscal year, Dripping Springs ISD had a General Fund Balance less reserves of \$19,640,476 and passed all other critical indicator criteria. For the 2008 fiscal year, the DSISD had a General Fund Balance less reserves of \$19,754,056.

District Accreditation

Criterion #7 concerns the district's academic accreditation status. If a district's academic rating does not exceed "*Academically Unacceptable*", their rating can be no higher than "*Above Standard Achievement*". Dripping Springs ISD was rated "*Recognized*" and received 5 points for Criterion #7.

Fiscal Responsibility

Criteria #8 through #12 concern fiscal responsibility. Dripping Springs ISD's percentage of tax collections exceeds the 98% standard and received 5 points. While the District's debt per student is more than the \$350 rate set in Criterion #10, the District received 5 points because student population growth the last 5 years exceeded 7%. Criterion #11 concerns the audit and Criterion #12 concerns the financial accreditation status of the District. The District received 5 points for each of these two criteria.

Budgeting

Criteria #13 through #15 concern the District's budgeting, management and cash flow practices. The District adequately funds its budget and capital projects. Most importantly, as addressed in Criterion #15, the District does not spend cash it cannot afford to spend or cannot recognize as revenue.

Personnel

Criteria #16 through #18 address staffing patterns. The District's administrative cost ratios were below that of the State standard of 14.01% at 7.55% for the 2009 year. Criteria #17 and #18 specifically deal with students to classroom teachers and students to total staff. A District must fall into a certain range to meet these criteria, which means understaffing or overstaffing can cause a district to lose points. For the 2009 year, the District falls safely within the prescribed ranges for each criterion at 16.1235 students per classroom teacher and 7.7583 students per employee. Therefore, the District received the maximum 5 points for each of the three criteria.

Cash Management

The final four criteria deal with cash management practices. Criterion #19 concerns the fund balance figure and whether it is too high or low. Dripping Springs ISD's General Fund Balance of \$20,349,416 for the 2009 year falls well within the range for the TEA calculated optimum fund balance, so the District received the maximum 5 points for this criterion. Criterion #20 deals with any decrease in General Fund Balance over two years. Since our fund balance increased in each year, the District easily met this criterion. Cash and Investments were greater than \$0, so Criterion #21 was easily surpassed, and investment earnings exceeded the minimum standard of \$20 per student set forth in Criterion #22.

Dripping Springs Independent School District



Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2009

Description of Reimbursements	Dr. Mard Herrick	Tim Kurpiewski	John Adams	Steve Benesh	Caroline Pekarek	Curtis Wilson	Barbara Stroud	Alan Atwood
Meals	\$ 154.71	\$ 32.00	\$ 98.52	\$ 12.99	\$ 111.51	\$ 16.00	\$ 65.36	\$ -
Lodging	\$ 947.50	\$ 605.63	\$ 982.63	\$ 377.00	\$ 1,073.71	\$ 605.63	\$ 1,327.07	\$ 814.14
Transportation	\$ 334.77	\$ 129.49	\$ 341.75	\$ 249.21	\$ 338.54	\$ 64.02	\$ 356.40	\$ 77.99
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 4,538.32	\$ 325.00	\$ 574.45	\$ 326.14	\$ 571.32	\$ 375.00	\$ 494.03	\$ 367.44
Total	\$ 5,975.30	\$ 1,092.12	\$ 1,997.35	\$ 965.34	\$ 2,095.08	\$ 1,060.65	\$ 2,242.86	\$ 1,259.57



Dripping Springs Independent School District

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2009

For the Twelve-Month Period Ended June 30, 2009	Superintendent
Names(s) of Entity(ies)	Dr. Mard Herrick
The University of Texas at San Antonio	\$ 7,500.00
Total	\$ 7,500.00



Dripping Springs Independent School District

Business Transactions Between School district and Board Members for Fiscal Year 2009

For the Twelve-Month Period Ended June 30, 2009	Tim Kurpiewski	John Adams	Steve Benesh	Caroline Pekarek	Curtis Wilson	Barbara Stroud	Alan Atwood
Summary Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF TEXAS §
 §
COUNTY OF HAYS §

SUPERINTENDENT'S CONTRACT

THIS SUPERINTENDENT'S CONTRACT ("Contract" or "Agreement") is made and entered into by and between the Board of Trustees (the "Board") of the Dripping Springs Independent School District (the "District") and Dr. Mard A. Herrick (the "Superintendent").

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, Texas Education Code, have agreed, and do hereby agree, as follows:

1. **Term.** The Board agrees to employ the Superintendent on a 12-month basis for three years, beginning July 1, 2010 and ending June 30, 2013.

2. **Certification.** This Agreement is conditioned on the Superintendent providing the necessary certification and experience records, and other records required by law, district policy, State Board for Educator Certification rules, and Texas Education Agency rules. Failure to provide necessary certification shall render this Agreement void. Any material misrepresentation may be grounds for dismissal.

3. a. **Duties.** The Superintendent shall perform the duties of the Superintendent of Schools for the District as prescribed in state law, the job description and as may be lawfully assigned by the Board. The Superintendent shall perform those duties with reasonable care, skill and diligence. The Superintendent shall comply with all lawful Board directives, state and federal law and rules, district policy, and regulations as they exist or may hereafter be amended. Texas law shall govern construction of this Agreement. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

 b. **Board of 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.

4. **Other Consulting.** The Superintendent agrees to devote his time, skill, labor and attention to performing his duties, but may, with prior written consent of the Board, undertake consulting work, speaking engagements, writing, and lecturing, and other professional duties and obligations that do not conflict or interfere with the Superintendent's professional responsibilities to the District. The Board acknowledges that the Superintendent is currently an adjunct faculty member at the University of Texas at San Antonio and any other future positions accepted will be in accordance with this paragraph.

5. **Compensation.** The Board agrees to pay the Superintendent at annual salary and other compensation as follows:

(a) The District shall provide the Superintendent with an annual salary in the sum of \$148,560.00 for a standard 226 days of service. This annual salary rate shall be effective July 1, 2009, and paid to the Superintendent in installments consistent with the Board's policies.

(b) At any time during the term of this Agreement, 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 Paragraph 5(a) of this Agreement.

(c) In addition to the compensation and benefits set forth in this Contract, the District shall provide to the Superintendent the employment benefits set forth on Exhibit A attached hereto and incorporated herein for all purposes.

6. **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.

7. **Performance Review.**

(a) **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 evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.

(b) **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.

(c) **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 this Paragraph 7, 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 and such modifications would require new or difference performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

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

9. **Dismissal for Good Cause.** The Board may dismiss the Superintendent at any time for good cause in accordance with Texas Education Code Sections 21.212(d), 21.211, and Board policy. 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.

10. **Renewal/Nonrenewal.** Renewal or nonrenewal shall be in accordance with Chapter 21, Subchapter E, Texas Education Code, and Board policy. At any time during the contract term, the Board may, in its discretion, reissue the contract for an extended term. Failure to reissue the contract for an extended term shall not constitute nonrenewal under Board policy.

11. **Retirement or Death.** This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.

12. **Mutual Agreement.** The Superintendent and the Board may agree in writing to terminate this Agreement pursuant to any mutually agreed upon terms and conditions.

13. **Resignation.** 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 school year. The Superintendent may resign, with the consent of the Board, at any other time.

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

15. **Savings Clause.** In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not effect any other provision thereof, and this Agreement 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 Agreement, and this contract constitutes the entire agreement between the parties. This Agreement may not be amended except by written agreement of the parties.

16. **Indemnification.** The District shall defend, hold harmless and indemnify the Superintendent regarding any claims, demands, duties, actions or other legal proceeding 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.

17. **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.

Signed this 21st day of January, 2010.

Accepted this 21st day of January, 2010.



Steve Benesh,
President, Board of Trustees



Dr. Mard Herrick, Superintendent

**ATTACHMENT A
OTHER BENEFITS**

1. **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(s) provided by the District for its administrative employee.
2. **Automobile.** The District shall provide the Superintendent with an automobile allowance in the sum of five hundred dollars (\$500.00) per month, for travel to destinations within the Designated Local Area (defined below), which payment is in lieu of mileage expense reimbursement, gasoline, or other vehicle upkeep charges associated with such travel. This allowance shall be paid in addition to the annual salary set forth in Section 5(A) above. The Superintendent will be reimbursed by the District on a per mile basis for business travel in the Superintendent's personal automobile to destinations outside the Designated Local Area in accordance with District policy as for other administrative employees on twelve-month contracts. The "Designated Local Area" means inside the District, Region XIII Education Service Center area, and the District's UIL area. Such amounts shall be subject to payroll tax withholding by the District.
3. **Supplemental Compensation - Retention Incentive.** As an incentive to encourage the Superintendent to remain employed as Superintendent with District, District agrees to open a savings or other account in the name of the District for contributions as provided herein ("Account"). Beginning on June 30, 2007, and on or before June 30 of each year thereafter during the term of this Contract, the District shall contribute two thousand five hundred and no dollars (\$2,500.00) annually to the Account. In the event that on June 30, 2011 ("Vesting Date") the Superintendent remains employed by the District, the Superintendent shall be vested one hundred percent (100%) in the Account, and all amounts therein, including both the District's contributions and any interest or other earnings thereon shall be paid to the Superintendent. The Superintendent shall not have any rights in or to the Account prior to the Vesting Date and in the event the Superintendent's employment with the District terminates for any reason prior to the Vesting Date, the Account, all amounts in the Account and those amounts remaining unpaid to the Account shall be forfeited and the District shall have no further liability with respect to the Account.
4. **Holidays, Sick Leave.** 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 illness benefits and leave as authorized by Board policies for administrative employees on twelve-month contracts.
5. **Professional Organizations.** The Superintendent is encouraged to participate in various professional educational organizations. The reasonable cost of membership in two such organizations shall be borne by the District in an amount not to exceed one thousand dollars (\$1,000.00) each District fiscal year.
6. **Civil Organizations.** The Superintendent is encouraged to participate in community and civic affairs such as chamber of commerce, civil clubs, etc. The reasonable expenses of two such activities shall be borne by the District in an amount not to exceed one thousand dollars (\$1,000.00) each fiscal year.
7. **Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. However, the Board encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at 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 and private institutions or by educational associations, as well as the expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent, not to exceed ten (10) days per year, to attend such seminars, courses or meetings. The District shall bear the reasonable costs and expenses for such attendance or membership.
8. **Expenses.** The District shall reimburse the Superintendent for reasonable expenses directly incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policy.