



Pasadena Independent School District Annual Financial Accountability Management Report

For the Year Ending August 31, 2024



**Dr. Toni Lopez, Superintendent of Schools
Dr. Tamika Alford-Stephens, Chief Financial Officer**

Table of Contents

	Page
Introduction	3
Financial Accountability Ratings Worksheet for 2024-2025	4-7
Overview of the Worksheet's Indicator	
Critical Indicators	8
Other Indicators of Fiscal Solvency and Financial Responsibility	8-9
Other Information Concerning the District's Financial Operations:	
Financial Strength.....	10
Operating Cost Management.....	11
Administrative Cost Comparison	11
Personnel Management	12
Tax Collections.....	12
Cash Management	13
Budgetary Planning & Financial Allocations.....	13-14
Awards and Recognitions.....	14
Other Required Disclosure Reports:	
Reimbursements Received by the Superintendent and Board Members	15
Outside Compensation Received by the Superintendent	15
Gifts Received by Superintendent and Board Members	15
Business Transactions between School District and Board Members	15
Superintendent's Contract.....	16-19



Pasadena Independent School District Annual Financial Accountability Management Report

Introduction

Created by the 77th Texas Legislature in 2001, the School Financial Integrity Rating System of Texas (FIRST) is designed to encourage public schools to better manage their financial resources in order to provide the maximum allocation possible for direct instructional purposes.

FIRST ratings provide parents and community members an annual glimpse at the financial health and stability of every school district and charter. The 2024-2025 ratings are based on annual financial reports provided to TEA by districts and charters from the 2024 fiscal year. The financial accountability system requires TEA to review the audited financial reports from all districts and charters.

This year, the FIRST ratings are based on twenty-one financial indicators, such as administrative cost expenditures; the accuracy of a district's financial information submitted to TEA; and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor. Based on the submitted information, Districts are assigned a rating of A = Superior, B = Above Standard, C = Meets Standards, and F = Substandard Achievement. Pasadena Independent School District has earned the rating of ***Superior Achievement*** for the 2024-2025 rating. For the 2024-2025 rating, Pasadena ISD earned a score of 98 and passed all of the critical indicators. The worksheet itself and a discussion of its significant points follow.

All school districts and charters are required to report information and financial accountability ratings to parents and taxpayers. In addition, school districts and charters must hold a public discussion or hearing regarding its financial report.

RATING YEAR 2024-2025

DISTRICT NUMBER

district #

Select An Option

Help

Home



Financial Integrity Rating System of Texas

2024-2025 RATINGS BASED ON SCHOOL YEAR 2023-2024 DATA - DISTRICT STATUS DETAIL

Name: PASADENA ISD(101917)	Publication Level 1: 8/8/2025 12:54:09 PM
Status: Passed	Publication Level 2: 8/8/2025 4:49:42 PM
Rating: A = Superior Achievement	Last Updated: 8/8/2025 4:49:42 PM
District Score: 98	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>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?</u>	4/23/2025 6:09:51 PM	Yes
2	<u>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.)</u>	4/23/2025 6:09:51 PM	Yes
3	<u>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.)</u>	4/23/2025 6:09:51 PM	Yes
4	<u>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.)</u>	4/23/2025 6:09:51 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	<u>Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the</u>	4/23/2025 6:09:51 PM	Ceiling Passed

	<u>maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>		
6	<u>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.)</u>	4/23/2025 6:09:51 PM	Ceiling Passed
7	<u>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.</u>	4/23/2025 6:09:51 PM	10
8	<u>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.</u>	4/23/2025 6:09:51 PM	10
9	<u>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.</u>	4/23/2025 6:09:51 PM	10
10	This indicator is not being evaluated.		10
11	<u>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.)</u>	4/23/2025 6:09:51 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	4/23/2025 6:09:51 PM	8
13	<u>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.</u>	4/23/2025 6:09:51 PM	10
14	<u>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.</u>	4/23/2025 6:09:51 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	4/23/2025 6:09:51 PM	5
16	<u>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.)</u>	4/23/2025 6:09:51 PM	Ceiling Passed
17	<u>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.)</u>	4/23/2025 6:09:51 PM	Ceiling Passed
18	<u>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.)</u>	4/23/2025 6:09:51 PM	10
19	<u>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?</u>	4/23/2025 6:09:51 PM	5

20	<u>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?</u>	4/23/2025 6:09:51 PM	Ceiling Passed
21	<u>Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?</u>	4/23/2025 6:09:51 PM	Ceiling Passed
			98 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			98 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
<p>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.</p> <p>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.</p>		

CEILING INDICATORS

Did the school district meet the criteria for any of the following ceiling indicators 4, 5, 6, 16, 17, 20, or 21? 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 5 (Total Net Position) - Negative total net position and do not have 7% or more or 1,000 or more increase in growth in students in membership over 5 years.	79	C = Meets Standard Achievement

Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is <i>Yes</i> .	70	C = Meets Standard Achievement

Home Page: [Financial Compliance | Texas Education Agency](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE **TEXAS EDUCATION AGENCY**

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FIRST 5.15.11.0

Overview of the Worksheet

Critical Indicators

Indicators #1 through #4 are the critical indicators. Any “No” response in this category is a signal indicator of fiscal distress.

- Indicator #1: The Annual Financial Report was submitted timely.
- Indicator #2: The District received a clean audit report.
- Indicator #3: The District was not in default on any debt.
- Indicator #4: The District made timely payments to Governmental Agencies.

Other Indicators of Fiscal Solvency and Financial Responsibility

Indicators #5 through #21 evaluate cash on hand, fund balance reserves, administrative cost expenditures, the accuracy of the District’s financial information submitted to TEA, and any financial vulnerabilities or material weaknesses in internal controls as determined by the external auditor.

- Indicator #5: Was the total net position in the governmental activities’ column in the statement of net position greater than zero?
- Indicator #6: The average change in fund balance over 3 years less than 25% decrease or exceeds 75 days of operational expenditures.
- Indicator #7: The District had adequate cash and current investments sufficient to cover operating expenditures.
- Indicator #8: The ratio of current assets to current liabilities was adequate to cover short-term debt.
- Indicator #9: The revenue in the general fund equaled or exceeded expenditures. The District had cash on hand greater than 60 days of operations.
- Indicator #10: Not scored this year.
- Indicator #11: The ratio of total assets to long-term liabilities was adequate to support long-term solvency.
- Indicator #12: The District had adequate debt revenue to cover required debt service payments.
- Indicator #13: The District’s administrative cost ratio was less than the threshold ratio.

- Indicator #14: Did the school district not have a 15 percent decline in the students to staff ratio over 3 years?
- Indicator #15: Was the District's ADA within the allotted range of the district's biennial pupil projections submitted to TEA?
- Indicator #16: Did the comparison of 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?
- Indicator #17: The audit report was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds.
- Indicator #18: The audit report was free of any instances of material noncompliance for grants, contracts, and laws related to local, state or federal funds.
- Indicator #19: The district posted 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.
- Indicator #20: The School Board Members discussed the district's property values at a board meeting prior to adoption of the budget.
- Indicator #21: Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of FSP funds because of a financial hardship?

Summary

The Pasadena ISD School Board, administration and the community have worked hard to maintain the financial position and condition of the District over the past number of years. This report demonstrates this to all parents and taxpayers.

Other Data Concerning the District's Operations

This section highlights important operational areas not covered by the Financial Accountability Worksheet but vital to Pasadena ISD's continued success. While the worksheet provides a solid foundation for evaluating fiscal responsibility, it reflects only part of our broader business practices. Our commitment to excellence drives us to continually improve operations, ensuring resources are maximized for instruction and support services. Here, we briefly review key practices that, though outside the worksheet's scope, are essential to our financial health and efficiency.

Financial Strength

The State of Texas encourages districts to include a discussion of financial strength in this report. While financial strength can be measured in various ways, some more effective than others, it can be challenging to identify a single, definitive metric. In Pasadena ISD, we believe the most meaningful indicator of financial strength is our ability to meet cash flow needs from September through December without resorting to short-term borrowing.

This financial stability is supported in part by state funding to low wealth districts like Pasadena ISD. However, it is primarily the result of our Board of Trustees' steadfast commitment to maintaining a minimum fund balance equal to 12.5% of the prior year's operating expenditures. This disciplined approach ensures that the district remains financially resilient throughout the year.

Further evidence of our strong financial position is reflected in our Aa2 underlying bond rating from Moody's and our AA bond rating from S&P Global. These ratings signify confidence in the district's solid financial foundation and manageable debt levels. Moody's has consistently recognized Pasadena ISD's long-standing tradition of conservative budgeting and prudent financial practices, which are key factors in sustaining our excellent credit rating.

Operating Cost Management

Only a small portion of our total General Fund expenditures are flexible or variable in nature. Salaries and benefits comprise the biggest expenditure each year, over 86.7%. Utility payments fluctuate greatly from year to year but still make up our second largest single expenditure at 2.8% followed by property insurance at 1.5%. Once you remove those large expenditures from the equation, you are left with a small portion of our budget that retains some semblance of control for us. Supplies, materials, travel and training and a few contracted services comprise this remaining balance. We consider these costs to be our controllable operating costs. One measure the state of Texas uses to measure operating cost efficiency is the administrative cost ratio. Texas has a formula that is mandated by law, and of course, it is arguable in nature. Simply, it takes administrative costs and divides them by instructional costs to arrive at a percentage. This indicator deals with the sensitive issue of administrative costs and we feel it prudent to demonstrate how our ratio has consistently remained low over the past several years.

Administrative Cost Comparison			
	<u>Year</u>	<u>State Limit</u>	<u>District Actual</u>
	2007-08	11.05%	5.79%
	2008-09	11.05%	4.73%
	2009-10	11.05%	5.10%
	2010-11	11.05%	5.47%
	2011-12	11.05%	5.58%
	2012-13	11.05%	5.44%
	2013-14	11.05%	5.45%
	2014-15	11.05%	5.63%
	2015-16	11.05%	5.50%
	2016-17	11.05%	5.27%
	2017-18	11.05%	5.41%
	2018-19	11.05%	5.45%
	2019-20	11.05%	5.80%
	2020-21	11.05%	6.09%
	2021-22	11.05%	5.85%
	2022-23	11.05%	5.71%
	2023-24	11.05%	5.93%

In a time of rising salaries and increased costs, Pasadena ISD has maintained low administrative costs as a percentage of instructional costs. We have done so via a conscious and concerted effort to bring administrative costs down while funneling every possible dollar to the campuses to serve the needs of the students first. This chart, more than any other indicator, clearly demonstrates that we are putting our money where our students are and getting by as best we can elsewhere.

Personnel Management

The District's longstanding personnel goal is to attract and retain qualified staff, and to offer a competitive salary and benefit package each year. We have offered a highly competitive total compensation package to our teaching staff and a comparable increase to all support personnel. It hasn't always been easy to do so, but each year we have managed to find the funding to fit this total benefit package into our budget. Attracting and retaining a quality teaching staff has been a priority with Pasadena ISD in the past decade second only to our students' welfare and education.

Tax Collections

Although tax collections is no longer a ratings indicator, we feel it is important to disclose our tax collection history.

<u>For Year Ended</u>	<u>Total Tax Collections</u>
2001	97.6%
2002	97.8%
2003	99.2%
2004	99.7%
2005	99.7%
2006	99.3%
2007	99.5%
2008	99.7%
2009	99.8%
2010	99.6%
2011	98.6%
2012	98.7%
2013	99.7%
2014	99.7%
2015	99.7%
2016	99.7%
2017	99.7%
2018	99.7%
2019	99.6%
2020	98.6%
2021	98.7%
2022	97.9%
2023	97.5%
2024	96.7%

Cash Management

In accordance with both state and local board policy, the District adheres to six prioritized objectives when investing funds: suitability, safety, liquidity, marketability, diversity, and yield. These principles guide all investment decisions to ensure alignment with legal requirements and the District's financial goals.

While suitability, safety, and liquidity are closely interrelated, often overlapping in practice, each plays a distinct role in evaluating potential investments. Securities deemed suitable and safe typically exhibit strong liquidity, and vice versa. The policy clearly defines permissible investment types, and we strictly adhere to these guidelines, avoiding any instruments that fall outside our interpretation of the policy.

For example, Certificates of Deposit (CDs) are authorized investments; however, due to their limited liquidity and potential penalties for early withdrawal, we only purchase CDs when we intend to hold them to maturity.

Our investment strategies are designed to ensure that each security aligns with the District's financial requirements. These strategies emphasize the preservation of principal, liquidity, and marketability, while also promoting diversification and optimizing yield within the bounds of policy.

Although certain investments are legally permissible, we refrain from purchasing those with limited marketability. A notable example is State of Israel bonds, which, despite being legal, lack sufficient liquidity for our operational needs.

We maintain a diversified portfolio that balances funds across money market pools and directly held securities, including U.S. Treasury Bills and government agency issues, to ensure both stability and flexibility.

Budgetary Planning & Financial Allocations

The District's budget process begins usually in December each year. During the first month of planning, preliminary revenue estimates are developed and shortly thereafter followed by budget allocations for each campus. Next, the department budgets are prepared and a budget preparation guide is updated for the new year and distributed to all budget managers. Most school districts have some rational basis for allocating funds to campuses and operating departments. In Pasadena ISD, we allocate funds to campuses based on a number of criteria. They include number of students, types of students, and type of campus. Support departments get funds based on previous year's budgets adjusted (up or down) for future years' needs. Special project requests for amounts supplemental to allocations are considered individually each year. In January, we begin budget consolidation and attempt to calculate state and local tax revenues. At this time, the budget starts to take on some form. March is usually spent reviewing the budget with the Budget Committee. April is the month we are first able to give the Board and the public a preliminary view of how the next year's budget looks. In odd-numbered years, the legislature is in session, and that can complicate and delay our budgeting

process. March-May will be busy months as we make final budget decisions and prepare to present a budget recommendation in June.

Our budget process is a proactive and highly participatory one, and campuses and departments are given discretion as to how to budget their funds. After the budget is adopted, each campus or department is given equal latitude regarding amending their budget when their plans or needs change. This decentralized style of budget management is required by the state of Texas to a certain degree. We call it site-based decision making. It's our version of campus empowerment. Most importantly, it is a system that works best in the long run for all of us by allocating resources where they are needed, even when those needs change.

Awards and Recognitions

For the past several years the Business Office has been recognized by the Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA) for excellence in the preparation and the Comprehensive Annual Financial Report (CAFR).

ASBO's Certificate of Excellence Award was received for the Comprehensive Annual Financial Report (CAFR) for the year ending August 31, 2024, the districts eleventh consecutive year receiving this award.

Additionally, the district received GFOA's Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year for the Comprehensive Annual Financial Report (CAFR) ending August 31, 2024.

We received the Purchasing Award of Excellence for the ninth consecutive year.

These awards reflect the commitment of the governing body and staff to meeting the highest principals of governmental budgeting and financial transparency. These documents are excellent tools that can be used for financial planning and communication devices for internal and external stakeholders. These reports enhance our financial accountability and transparency as well as strengthen the district's presentation for bond issuance and bond ratings.

Reimbursements & Payments On-Behalf Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2024

Description of Reimbursements	DeeAnn Powell Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Vickie Morgan Board Member	Kenny Fernandez Board Member	Paola Gonzalez Board Member	Casey Phelan Board Member	Crystal Davila Board Member
Meals	\$ 298.00	\$ -	\$ -	\$ -	\$ 220.43	\$ 20.00	\$ 129.00	\$ 109.00
Lodging	\$ 524.57	\$ 858.15	\$ -	\$ -	\$ 1,415.87	\$ 2,164.85	\$ 1,885.86	\$ 2,107.47
Transportation	\$ 811.32	\$ 529.37	\$ -	\$ -	\$ 463.07	\$ 1,290.31	\$ 771.89	\$ 744.20
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 1,515.00	\$ 560.00	\$ 75.00	\$ 295.00	\$ 970.00	\$ 1,141.04	\$ 1,203.50	\$ 1,000.00
Total	\$ 3,148.89	\$ 1,947.52	\$ 75.00	\$ 295.00	\$ 3,069.37	\$ 4,616.20	\$ 3,990.25	\$ 3,960.67

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, 2024
Name(s) of Entity(ies)

Amount Received
\$

Total
\$0.00

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)

For the Twelve-Month Period
Ended August 31, 2024

DeeAnn Powell Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Vickie Morgan Board Member	Kenny Fernandez Board Member	Paola Gonzalez Board Member	Casey Phelan Board Member	Crystal Davila Board Member
\$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, 2024

DeeAnn Powell Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Vickie Morgan Board Member	Kenny Fernandez Board Member	Paola Gonzalez Board Member	Casey Phelan Board Member	Crystal Davila Board Member
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SUPERINTENDENT'S EMPLOYMENT CONTRACT

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

§

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 27 day of March 2025, by and between the Board of Trustees (the "Board") of the Pasadena Independent School District (the "District") and Dr. Toni Lopez ("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 on a 12-month basis commencing on March 27, 2025, and ending on June 30, 2028. In all years of this Contract, the contract year shall be from July 1st through June 30th. 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. This Contract creates no property interest of any kind beyond the term of this Contract.

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. The Board maintains the authority to employ and/or discharge members of the Superintendent's immediate family. It shall be the further duty of the Superintendent to direct, assign, reassign, evaluate and accept resignations 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

individual capacity or in her official capacity as agent and employee of the District if the incident in question arose while the Superintendent was acting within the course and scope of her employment and in conformity with the policies of the District. This defense and indemnity excludes criminal or other illegal acts and any other act, action or omission of the Superintendent which is determined to have been done, taken, or committed with malice or with intent to cause the injury or damage suffered by the claimant. This provision does not apply if the Superintendent is found to have acted with gross negligence or with intent to have violated a person's clearly established legal rights, to have acted outside the course and scope of her employment, to have engaged in criminal conduct, or to have engaged in official misconduct. This provision also does not apply to criminal investigations or proceedings. At its sole discretion, the District may fulfill the obligation under this paragraph by purchasing insurance coverage for the benefit of the Superintendent or by including the Superintendent as a covered party under any contract providing errors and omissions insurance coverage purchased for the protection of the Board and the professional employees of the District. The Board may retain attorneys to represent the Superintendent in any proceeding for which she could seek indemnification under this paragraph, to the extent that damages are recoverable or a defense is provided under any such contract of insurance. In no event shall any individual Board member, present or future, be personally liable for defending or indemnifying the Superintendent against any such demands, claims, suits, actions and legal proceedings. The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse parties to each other in any such proceedings. The Superintendent shall reasonably 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 and the obligation of the District under this paragraph shall continue after the termination of this Contract.

III. Compensation

3.1 Salary. The District shall provide the Superintendent with an annual salary in the sum of Three Hundred Thousand and No/100 Dollars (\$300,000.00). 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 in Section 3.1 of this Contract except by mutual agreement of the two parties. Such adjustments, if any, shall be in the form of a written addendum to this Contract or a new contract, and such adjustment shall be exclusive of any insurance policy or other benefits unless specifically provided in the addendum or new contract.

3.3 Holiday, Non-Duty Days, Vacation Days, and Personal Leave. The Superintendent shall observe the same legal holidays and non-duty days as well as receive the same local sick leave and state personal leave benefits as authorized by Board policy for employees who are employed under twelve-month contracts, the days to be taken in a single period or at different times. In addition, the Superintendent shall receive a vacation allowance of fifteen (15) workdays per year, which shall be accrued and used in accordance with Board policy applicable to the use of vacation days by employees who are employed under twelve-month contracts. The Superintendent shall work at least two hundred and forty (240) days during each year of this

and the Texas Association of School Business Officials, as well as other memberships, specifically approved by the Board from time to time, as necessary to maintain and improve the Superintendent's professional skills or to represent the school district's interests.

3.10 Information Technology/Communications allowance: The District shall pay the Superintendent an amount of \$300.00 per month during the Superintendent's employment with the District for an information technology/communications allowance to provide her with a cellular telephone, computer, internet communication, or any other technical equipment for the Superintendent's use at her home for District business and personal use. This payment shall be made in equal periodic payments at the same time as payments of the Superintendent's base salary.

3.11. Security Services: The District shall, at its expense, provide to the Superintendent such personal protection or security as the Board may deem necessary. In the event the life or safety of the Superintendent or the Superintendent's family is threatened or otherwise appears in danger due to the performance of the Superintendent's professional duties, the District shall pay the reasonable and necessary costs incident to the protection of the Superintendent and the Superintendent's family, provided, however, that such protection will initially be sought from the police/sheriff's department of the appropriate governmental authority having jurisdiction in the District.

3.12 Benefits. In addition to the benefits expressly set forth herein, the District shall also provide to the Superintendent other benefits provided to administrative employees of the District as required or provided for by state law and/or Board policies. The Board reserves the right to amend its policies at any time during the term of this Contract to reduce or increase the benefits not expressly provided herein, at the Board's sole discretion.

IV. Annual Performance Goals

4.1 Development of Goals. On or before September 1st of every year during the term of this Contract, the Superintendent and the Board shall develop the goals for the District. The goals approved by the Board shall be reduced to writing ("District Goals") and shall be among the criteria on which the Superintendent's performance will be reviewed and evaluated.

V. Review of Performance

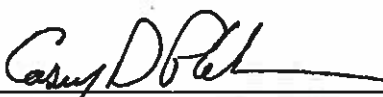
5.1 Evaluation. The Board shall evaluate the Superintendent annually in writing. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based on the District's progress towards accomplishing the District Goals. Unless the Board and the Superintendent expressly agree otherwise in writing, the Superintendent's evaluation shall at all times be conducted in closed or 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. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law.

the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein. Contract shall be governed by the laws of the State of Texas and shall be performable in Harris County, Texas, unless otherwise provided by law. 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 for the terms stated herein 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.

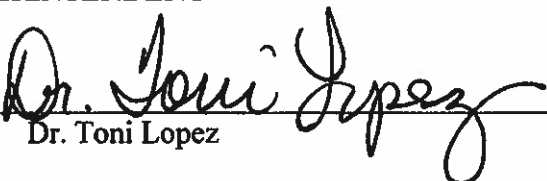
8.5 Contract Approval and Execution. This Contract was approved by the Pasadena ISD Board of Trustees at its duly called and posted meeting on March 27, 2025, and is fully effective on the date of final execution of the signatures listed below. For purposes of this Contract, facsimile or email-PDF or electronic signatures are treated as original signatures

PASADENA INDEPENDENT SCHOOL DISTRICT

By: 
Casey Phelan, President
Board of Trustees
Pasadena Independent School District

Executed this 27th day of March, 2025

SUPERINTENDENT

By: 
Dr. Toni Lopez

Executed this 27th day of March, 2025