



**SCHERTZ-CIBOLO-UNIVERSAL CITY  
ISD**

**PUBLIC HEARING**

**November 13, 2018**

# WHAT IS SCHOOLS FIRST?

➤ Schools FIRST is the Financial Integrity Rating System of Texas.

➤ This is the sixteenth year the financial health of every school district in Texas has been evaluated.

➤ The primary goal of Schools FIRST is to achieve quality performance in the management of the school district's financial resources, a goal made more significant due to the complexity of accounting associated with Texas School Finance Systems.

➤ School districts are required to hold a public meeting to publicize the district's financial report and rating.

# SCHOOLS FIRST RATINGS

- Possible ratings are Superior (A), Above Standard (B), Meets Standard (C) and Substandard Achievement (F).
- Schertz-Cibolo-Universal City ISD received a Superior Rating from TEA, achieving 100 of 100 points in the indicator system.
- Ratings are based upon financial data from the 2016-2017 School Fiscal Year.
- 15 indicators were used by TEA to determine the district's Schools FIRST Rating.

# 2016-2017 Texas Ratings

<b>RATINGS</b>	<b>COUNT</b>	<b>% TOTAL</b>
Superior = A	837	81.90%
Above Standard = B	117	11.45%
Meets Standard = C	63	6.16%
Substandard Achievement = F	5	0.49%
<b>Totals</b>	<b>1,022</b>	<b>100.00%</b>

Source: TEA's Web site

# 15 RATING INDICATORS

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

***YES – Financial report was filed with TEA as of 12/27/2017.***

2A. 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 a unmodified opinion.)

***YES- The District received an unmodified opinion or “clean audit”.***

2B. 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? (The AICPA defines material weakness.)

***YES- The external auditor reported no material weaknesses in the audit report.***

3. Was the district in compliance with the payment terms of all debt agreements at fiscal year end? (A debt agreement is a legal agreement between a debtor and their creditors, which includes a plan for paying back the debt.)

***YES – Bond payments were made in a timely manner. And there were no disclosures in the AFR concerning default on debt agreements.***

4. Did the district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

***YES – Payments were made in a timely manner.***

5. 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 7% more, then district passes this indicator.)

***YES- Unrestricted net asset balance is greater than zero.***

6. Was the number of days of cash on hand and current investments in the general fund for the district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?

*YES – Number of days of cash on hand and current investments was 170 days, which is greater than 90 days (days required for maximum points).*

7. Was the measure of current assets to current liabilities ratio for the district sufficient to cover short-term debt?

*YES – District ratio is 4.50, which is greater than 3.0 (ratio required for maximum points).*



8. Was the ratio of long-term liabilities to total assets for the district sufficient to support long-term solvency? (If the District's 5 year % change in students was 7% or more, then district passes this indicator.)

*YES – The District's ratio of long-term liabilities to total assets is 0.9208, which would only earn the District 2 points for this indicator. However, the District received all 10 points for this indicator since the 5 year change in students is 14.22% (which is greater than the 7% threshold ).*

9. Did the district's general fund revenues equal or exceed expenditures (excluding facilities and construction)? If not, was the district's number of days of cash on hand greater than or equal to 60 days?

*YES – The District's general fund revenues exceeded expenditures by approximately \$826,000.*

10. Was the debt service coverage ratio sufficient to meet the required debt service?

*YES – The District’s debt service coverage ratio is 1.3597, which is greater than 1.20 (ratio required for maximum points).*

11. Was the district’s administrative cost ratio equal to or less than the threshold ratio?

*YES – Administrative Cost Ratio for SCUC - .0615*

*TEA- District Standard – less than .0855 (ratio required for maximum points).*

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

*YES – District ratio increased by 0.0009. However, the District automatically passed this indicator as the District did not decrease in student enrollment.*

13. Did the comparison of PEIMS data to like information in the district's AFR result in a total variance of less than 3 percent of all expenditures by function?

*YES – PEIMS data passed the data quality measures set by TEA.*

14. 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.)

*YES- No material noncompliance was noted in the AFR.*

15. Did the 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?

*YES- No adjusted repayment schedule was received. The District is in compliance with TEA spending formulas.*

**RESULTS?**

**15 OUT OF 15**

**100 points out of 100 points**

**(60 points minimum to pass)**

**Rating**

**SUPERIOR = A!**

# New Indicators coming in 2020-21 will relate to:

- Changes in Fund Balance
- Variances in Budgeted to Actual Revenues
- Debt Ratios
- Enrollment Variances
- Required Financial Postings on District Website
- School Board discussions on Property Tax Values and Funding Lag

**DISCLOSURE #1**

**SUPERINTENDENT'S  
CONTRACT**

STATE OF TEXAS                   §  
   §  
COUNTY OF GUADALUPE       §

**SUPERINTENDENT’S CONTRACT**

THIS CONTRACT is made and entered into by and between the Board of Trustees (the “Board”) of the SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT (the “District”) and Greg Gibson (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. The Board agrees to employ the Superintendent on a twelve-month basis beginning July 1, 2018, and ending June 30, 2022.
2. This Contract is conditioned on the Superintendent providing the necessary certification and experience records, medical records, and other records required for district personnel files or payroll purposes according to 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. The Superintendent shall perform the duties of Superintendent of Schools for the District as prescribed in state law, the job description, and as may be assigned by the Board. The Superintendent shall perform those duties with reasonable care, skill and diligence. The Superintendent shall comply with all 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 Contract.
4. 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, lecturing, and other professional duties and obligations that do not conflict or interfere with the Superintendent’s professional responsibilities to the District. The decisions of the Board are final.
5. The Board supports the Superintendent’s commitment to the work of the Texas Quality Foundation and the Baldrige Award criteria and process. The Board will allow the Superintendent to serve as a Baldrige examiner, an unpaid position that requires approximately 30-40 clock hours annually. If the Board determines that serving as an examiner interferes with the Superintendent’s ability to adequately perform his job responsibilities, the Superintendent will cease duties related to the examiner position immediately.
6. The Board agrees to pay the Superintendent an annual salary and other compensation as follows:
  - a) *Salary:* The District shall provide the Superintendent with an annual salary in the sum of Two Hundred Sixteen Thousand Four Hundred Twenty-Four Dollars and NO/100ths (\$216,424.00). This annual salary rate shall be paid to the Superintendent in equal monthly



installments, consistent with the Board's policies. 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 this Paragraph.

b) *Annual Consideration:* The Board annually considers a salary and/or benefit increase for the Superintendent. Each year, the Superintendent's salary-baseline consideration will be based on the average percent increase that all staff receive as part of the adopted budget for the current school year. This clause serves as a starting point for consideration and in no way means that a salary and/or benefit increase is mandatory.

c) *Other Benefits:*

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

(2) *Insurance:* The District shall provide to the Superintendent the same medical insurance coverage benefit offered by the District to its employees pursuant to the District's group health care plan(s).

(3) *Non-Paid Leave Days, Holiday, Sick Leave:* Non-Paid Leave 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 the 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. The Superintendent shall receive additional days granted to constitute at least a two week vacation, consisting of non-paid leave days.

(4) *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 reasonable attendance and participation in appropriate professional meetings at the local, regional, state, and national levels, as approved by the Board.

(5) *Civic Activities:* The Superintendent is encouraged to participate in community and civic affairs in accordance with the Board's policies.


7. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's consent.

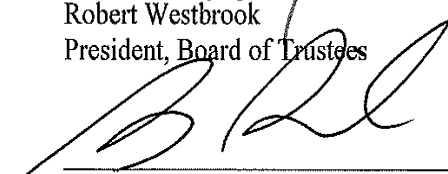
8. The Board shall evaluate and assess in writing the Superintendent's performance at least once each year during the term of this Contract. The evaluation format and procedure shall comply with Board policy and state and federal law.
9. The Board may dismiss the Superintendent at any time for good cause in accordance with Texas Education Code Sections 21.211, 21.212(d), and Board policy. The Board may also place the Superintendent on administrative leave with pay at any time the Board deems it to be in the District's best interest.
10. This Contract shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teachers Retirement System of Texas.
11. A determination by the Board that a consolidation of the District with one or more other school districts requires that this Contract be terminated during the term and shall constitute good cause for dismissal.
12. The Superintendent and the Board may agree in writing to terminate this Contract pursuant to any mutually agreed-upon terms and conditions.
13. Renewal or nonrenewal of this Contract shall be in accordance with Texas Education Code Chapter 21, Subchapter E, and Board policy.
14. 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.
15. 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 45<sup>th</sup> 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.
16. 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.
17. 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. This Contract may not be amended except by written agreement of the parties.

18. This offer will expire unless signed and returned to the Board or its authorized representative by 5:00 p.m., July 31, 2018. Signed this 25<sup>th</sup> day of July, 2018.

Schertz-Cibolo-Universal City ISD

By:

  
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Robert Westbrook  
President, Board of Trustees

  
\_\_\_\_\_  
Greg Gibson  
Superintendent of Schools

## DISCLOSURE #2

### Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2016-2017

For the Twelve-month Period Ended August 31, 2017								
Description of Reimbursements	Dr. Greg Gibson	Gerald Perkins	Amy Driesbach	Robert Westbrook	Gary Inmon	David Pevoto	Mark Wilson	John Correu
Meals	\$ 156.00	\$ 27.00	\$ 40.14	\$ -	\$ 122.40	\$ 20.00	\$ -	\$ 24.85
Lodging	\$ 3,057.49	\$ 656.27	\$ 1,046.46	\$ 890.48	\$ 4,075.56	\$ 442.06	\$ 428.46	\$ 1,648.00
Transportation	\$ 2,793.15	\$ 537.54	\$ 688.30	\$ 582.54	\$ 1,677.82	\$ 290.20	\$ 283.94	\$ 240.20
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 1,552.72	\$ 542.00	\$ 20.00	\$ 60.00	\$ 582.00	\$ -	\$ -	\$ 20.00
Registatin	\$ 3,704.00	\$ 720.00	\$ 1,400.00	\$ 325.00	\$ 1,795.00	\$ 375.00	\$ 710.00	\$ 325.00
Total	\$11,263.36	\$ 2,482.81	\$ 3,194.90	\$ 1,858.02	\$ 8,252.78	\$ 1,127.26	\$ 1,422.40	\$ 2,258.05

Total	\$ 31,859.58
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\* The spirit of the rule is to capture all “reimbursements” or payments made on behalf of Board Members or the Superintendent for fiscal year ended 2017, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order.

**DISCLOSURE #3**

**Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other personal Services in Fiscal Year 2016-2017**

***NONE TO REPORT***

**DISCLOSURE #4**

**Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relative, if any) in Fiscal Year 2016-2017**

***NONE TO REPORT***

**DISCLOSURE #5**

**Business Transactions Between School District and Board Members for Fiscal Year 2017**

***NONE TO REPORT***

Questions  
and  
Comments