Financial Integrity Rating System of Texas (FIRST)

SCHOOL FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

Annual Financial Management Report

School FIRST Rating

PASADENA
INDEPENDENT SCHOOL DISTRICT

Pasadena Independent School District

November 17, 2026

Dr. Toni Lopez, Superintendent

Stacey McDowell, Chief Financial Officer

Pasadena Independent School District

3920 Mickey Gilley Blvd – Pasadena, Texas 77505

November 17, 2026

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Pasadena Independent School District

What is School FIRST?

- School FIRST is the Financial Integrity Rating System of Texas.
- This is the 24th year that the financial health of every school district in Texas has been evaluated.
- School Finance Systems: The primary goal of School FIRST is to achieve quality performance in the management of each school district's financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.
- School districts are required to hold a public meeting to publicize the district's financial report and rating.
- School FIRST accountability rating assigns one of the following financial accountability ratings to Texas school districts:
    - A-Superior
    - B-Above Standard
    - C-Meets Standard
    - F-Substandard Achievement
- Districts with an F-Substandard Achievement must file a corrective plan with the Texas Education Agency.

Financial Integrity Rating System of Texas (FIRST)

SCHOOL FIRST
FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

Financial Integrity Rating System of Texas Statewide Summary

2025 -2026 Rating Counts

Ratings	Count	% Total	Enrollment	% Total Enrollment
A = Superior Achievement	840	82.51%	4,340,711	85.00%
B = Above Standard Achievement	107	10.51%	427,923	8.38%
C = Meets Standard Achievement	60	5.89%	318,629	6.24%
F = Substandard Achievement	11	1.08%	19,448	.38%
Total	**1,018**	**100%**	**5,106,711**	**100%**

FINANCIAL INTEGRITY RATING STSTEM OF TEXAS
2025-26 RATINGS BASED ON SCHOOL YEAR 2024-2025 DATA

PASADENA INDEPENDENT SCHOOL DISTRICT

Status: PASSED | Rating: A = SUPERIOR | District Score: 98

#	Indicator Description	Score
1	Was the complete annual financial (AFR) and data submitted to the TEA on or before February 27, 2026?	YES
2	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.)	YES
3	Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?	YES
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	YES
		1 Multiplier Sum
5	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?	CEILING PASSED
6	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?	CEILING PASSED
7	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)?	8
8	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	10
9	Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?	10

10	Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	10
11	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.)	10
12	What is the correlation between future debt requirements and the district's assessed property value?	10
13	This indicator is not being evaluated.	10
14	Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.	10
15	Was the school district's ADA within the allotted range of the district's biennial pupil projection submitted to TEA?	5
16	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?	CEILING PASSED
17	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.)	CEILING PASSED
18	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.)	10
19	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?	5
20	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?	CEILING PASSED
21	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?	CEILING PASSED

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

DISCUSSION OF BASE INDICATORS

1. **Was the complete annual financial (AFR) and data submitted to the TEA on or before February 27, 2026?**

   YES - The AFR was approved by the Board on January 20, 2026, and filed with TEA on January 31, 2026.

2. **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.)**

   A “modified” version of the auditor’s opinion in your annual audit report means that you need to correct some of your reporting or financial controls. A district’s goal is to receive an “unmodified opinion” on its Annual Financial Report.

   YES - Pasadena ISD obtained an “unmodified” audit opinion. This indicates the District’s records were in good condition and fairly presented the district’s financial position.

3. **Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?**

   This indicator seeks to make certain that your district has paid your bills / obligations on financing arrangements to pay for bond payments, etc.

   YES – Pasadena ISD was compliant with the payment terms of all debt agreements at fiscal year-end.

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

   This indicator seeks to make sure the district fulfilled its obligations to the TRS, TWC and IRS to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the District.

YES - Pasadena ISD made timely payments to all government agencies.

5. **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?**

   Yes. Pasadena ISD's net position, net pension liability, and net other post-employment benefits in the governmental activities column in the Statement of Net Position and Accretion of Interest for Capital Appreciation Bonds is greater than zero.

6. **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?**

   This indicator measures the percentage change in fund balance to see whether the fund balance is declining too quickly, and if it is declining, whether sufficient fund balance remains to operate for at least 75 days.

   CEILING PASSED - The average change was a .0189 which is greater than a .25 decrease. The current year's assigned and unassigned fund balance exceeded 75 days of operational expenditures. ($149,612,702 > $103,286,764)

7. **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)?**

   This indicator measures how long in days after the end of the fiscal year the school district could have disbursed funds for its operating expenditures without receiving any new revenues.

   Score = 8. Pasadena ISD's number of days of cash on hand and current investments was 85.8174.

10	8	6	4	2	0
>=90	<90 >=75	<75 >=60	<60 >=45	<45 >=30	<30

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

   This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities.

   Score = 10. At the end of the fiscal year, Pasadena ISD had current assets covering 3.1708 times its current liabilities.

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

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

This indicator simply asks, "Did you spend more than you earned?" The school district will automatically pass this indicator, if the school district had at least 60 days' cash on hand.

Score = 10. Pasadena ISD's general fund revenues exceeded expenditures and had 85.8174 days of cash on hand, which exceeds the 60-day requirement.

10. Did the school district average less than a 10% variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

This indicator measures the accuracy of budgeted local and state revenue by comparing the amounts budgeted in the general fund to the actual amounts earned for the last three years.

Score = 10. Pasadena ISD had a 0.01% variance in the past 3 years.

11. 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.)

This question is similar to someone asking if their mortgage exceeds the market value of their home.

Score = 10. Pasadena ISD's ratio of long-term liabilities to total assets was .5448.

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

12. What is the correlation between future debt requirements and the district's assessed property value?

This indicator asks about the school district's ability to make debt principal and interest payments.

Score = 10. Pasadena ISD's revenue is adequate to make future debt payments after assessing the property value and long term liabilities. Pasadena's calculated ratio = 3.8746

10	8	6	4	2	0
<= 4	> 4 <= 7	> 7 <= 10	>10 <= 11.5	> 11.5 <= 13.5	> 13.5

13. This indicator is not being evaluated.

14. 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.

This indicator assesses the staffing levels remain efficient and proportionate to student enrollment. A significant decline in the student-to-staff ratio might raise concerns about overstaffing, inefficient use of resources, or a potential decline in student enrollment that hasn't been matched by corresponding reduction in staff.

Score = 10: Pasadena ISD's 2024-25 enrollment was 46,491 and the 2022-23 enrollment was 48,726, therefore we decreased by 2,235 students. The change in the percent of enrollment = -3.97 %.

15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?

This indicator assesses the district's estimated enrollment to actual enrollment.

Score = 5: Pasadena ISD's Actual ADA was 41,678.915 and the projected ADA was 43,681. This is a difference of 2,002.085 which is a 4.5% difference (lower than the 10% threshold).

16. 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?

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".

Ceiling PASSED – Pasadena ISD's total variance equals 1.414 %, which is less than 3 %.

17. 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.)

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.

Ceiling PASSED – Pasadena ISD's AFR was free of material weaknesses in internal controls.

18. 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.)

This indicator measures whether the district is complying with laws, rules and regulations related to the expenditure of grant funds, contracts, and other state and federal funds.

Score = 10. Pasadena ISD's AFR was free of any instances of non-compliance for grants, contracts, and laws related to local, state, or federal funds.

19. 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?

This indicator measures whether the district is complying with legal requirements related to financial transparency by posting all required information.

Score = 5. Pasadena ISD complied with legal requirements related to financial transparency by posting all required information.

20. 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?

This indicator measures whether the school board had the opportunity to consider the impact of changes to local, state and federal funding of the district.

Ceiling PASSED – Pasadena ISD board members and district administration discussed funding impacts within the required time.

21. 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?

An over-allocation occurs when a district receives more funds than it was entitled to. This indicator assesses whether the district was allowed to spread out the repayment over more than one fiscal year to ease financial strain. This indicator helps evaluate the financial management and stability of the district.

Ceiling PASSED – Pasadena ISD did not receive an adjusted FSP repayment schedule due to financial hardship.

School FIRST Annual Financial Management Report

PASADENA INDEPENDENT SCHOOL DISTRICT

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

For the Twelve-Month Period

Ended June 30, 2026

Description of Reimbursements	Dr. Toni Lopez Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Kenny Fernandez Board Member	Paola Gonzalez Board Member	Casey Phelan Board Member	Crystal Davila Board Member	Joe Campos Board Member
Meals	$ 125.00	$ 320.00	$ 300.00	$ 874.03	$ 300.00	$ 355.00	$ 370.00	$ 335.00
Lodging	$ 168.37	$ 598.08	$ -	$ 2,185.41	$ 507.02	$ 579.09	$ 374.71	$ 703.34
Transportation	$ 38.61	$ 318.28	$ -	$ 711.05	$ 91.26	$ 112.44	$ 330.61	$ 581.81
Motor Fuel	$ 34.45	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ 1,570.00	$ 1,248.00	$ 1,198.00	$ 1,745.00	$ 1,780.00	$ 1,696.00	$ 1,241.00	$ 1,727.00
Total	$1,936.43	$2,484.36	$1,498.00	$5,515.49	$2,678.28	$2,742.53	$2,316.32	$3,347.15

All “reimbursements” expenses, regardless of the manner of payment, including direct pay,

credit card, cash, and purchase order are to be reported. Items to be reported per category include:

Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).

Lodging - Hotel charges.

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

Motor fuel – Gasoline.

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

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

For the Twelve-Month Period

Ended June 30, 2025

Name(s) of Entity(ies)	Amount Received
NONE	$ -
Total	$0.00

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

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 June 30, 2025

	Dr. Toni Lopez	Nelda Sullivan	Marshall Kendrick	Kenny Fernandez	Paola Gonzalez	Casey Phelan	Crystal Davila	Joe Campos
	Superintendent	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member

Total	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period

Ended June 30, 2025

	Dr. Toni Lopez Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Kenny Fernandez Board Member	Paola Gonzalez Board Member	Casey Phelan Board Member	Crystal Davila Board Member	Joe Campos Board Member
Totals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

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

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").

W I T N E S S E T H:

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

of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill and expertise. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with state law, Board policy, and the professional role and responsibility of the Superintendent.

2.2 **Professional Certification.** The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency and all other certificates required by law.

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

2.4 **Board Meetings.** Unless otherwise prohibited by law, 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 Contract or the Superintendent's salary and benefits as set forth in this 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. There may also be times when the Board and the Superintendent agree that it is appropriate for the Superintendent not to attend a Board meeting or a portion of a Board meeting. In that case, the Superintendent will be excused from attending the meeting or portion of the meeting. In the event of illness or Board President approved absence, the Superintendent's designee shall attend such meetings. In accordance with section 11.051(a-1) of the Education Code, the Board shall provide the Superintendent an opportunity to provide verbal or written recommendation(s) and/or information as to each of the items of business considered and voted on by the Board at each Board meeting.

2.5 **Criticisms, Complaints, and Suggestions.** The Board and the Superintendent shall maintain a working relationship that is in the best interests of the District. To that end, all criticisms, complaints, or suggestions received by the Board, or any individual Board member(s) shall, prior to any action being taken as to same, be referred to the Superintendent for appropriate resolution, study or recommendation. The Superintendent will either refer such matter(s): (a) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or (b) to the appropriate complaint resolution procedure as established by Board policies. The Superintendent shall be permitted to attend all meetings of the Board, both open and closed, and participate in all deliberations of the Board, except those closed meetings dealing with action (or lack of action) on the Superintendent's Contract, the Superintendent's evaluation, conflicts between individual Board members, or as due process may require.

2.6 **Legal Defense/Indemnification**. The District agrees that, to the extent permitted by state law, it shall defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions and legal proceedings brought against the Superintendent in her

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

Contract.

3.4 **Insurance.** The Superintendent shall have access to health insurance pursuant to the group health care plan provided by the District for its administrative employees.

3.5 **Professional Growth.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance 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 or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District.

3.6 **Professional and Civic Activities.** The Superintendent may attend and participate in appropriate professional meetings and/or seminars at the local, state and national level, with prior written notice to the Board, with reasonable and necessary travel and registration expenses for attendance at such meetings and/or seminars paid or reimbursed by the District. The District shall pay the annual dues of the Superintendent for membership in relevant professional organizations. The District shall also pay the reasonable and customary dues for the Superintendent's membership in local civic and community organizations of the Superintendent's choice, as approved by the Board.

3.7 **Vehicle Allowance.** The District shall pay the Superintendent an amount of $1,000.00 per month during the Superintendent's employment with the District to pay for a vehicle, insurance, repair, maintenance, fuel and other expenses of operating a vehicle. The Superintendent shall maintain liability insurance for her car of not less than the amount of $250,000 (bodily injury liability - each person); $500,000 (bodily injury liability - each accident); $100,000 (property damage liability - each accident). This vehicle may be used for personal and business purposes. This monthly payment shall be made in equal periodic payments at the same time as payment of the Superintendent's base salary. The Superintendent may be reimbursed for travel in her vehicle outside of the District at the District's approved reimbursement rate for travel on District business outside of the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies

3.8 **Moving Expenses:** The District will reimburse Superintendent for reasonable and customary moving expenses incurred to establish residency within the school district not to exceed fifteen thousand dollars ($15,000.00). The Superintendent agrees to obtain and reasonably select from at least two quotes for such services.

3.9 **Organizational Membership Dues:** The District will annually pay dues/membership in selected key professional organizations that will benefit the Superintendent and the school district. The District shall pay the Superintendent's membership dues to the American Association of School Administrators, the Texas Association of School Administrators,

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 Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board and the Superintendent's evaluation.

VI. Extension or Nonrenewal of Employment Contract

6.1 **Extension/Nonrenewal.** Extension or nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, Subchapter E, and applicable law. Contract extension, may be, but is not required to be considered during the month of January of each respective contract year. An informal or formal review of the Superintendent's performance may be held by the Board in order to make any contract extension decision.

VII. Termination of Employment Contract

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

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

7.3 **Dismissal for Good Cause.** The Board may dismiss the Superintendent during the term of the Contract for good cause in accordance with state law and Board policy.

7.4 **Termination Procedure.** In the event the Board proposes the termination of 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.

Article VIII. Miscellaneous

8.1 **Residency Requirement:** As a condition of this Contract, within eighteen (18) months of execution of this Contract, and at all other times during the remaining term of this Contract or any extension thereof while serving as Superintendent, the Superintendent shall establish and/or maintain her primary residence within the geographic boundaries of the District.

8.2 **Consultant and/or Other Work Activities.** The Superintendent agrees to devote her time, skill, labor, and attention to performing her duties, and may only undertake consulting work, speaking engagements, writing, lecturing, teaching, and other professional work/duties and obligations that do not conflict or interfere with the Superintendent's professional responsibilities to the District with formal board approval. Consultation and/or other work activities performed or provided by the Superintendent under the terms and conditions of this paragraph shall be consistent with state and federal law.

8.3 **Complete Agreement, Controlling Law, and Conflicts.** This Contract embodies

the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein. 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