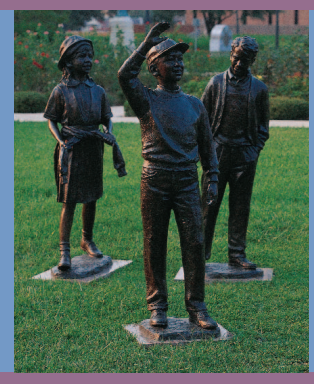
High Island Independent School District



LEGISLATIVE BUDGET BOARD

SEPTEMBER 2006

LEGISLATIVE BUDGET BOARD

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September 22, 2006

Mr. Michael Sims
Superintendent, High Island Independent School District

Dear Mr. Sims:

The attached report reviews the management and performance of the High Island Independent School District's (HIISD's) educational, financial, and operational functions.

The report's recommendations will help HIISD improve its overall performance as it provides services to students, staff, and community members. The report also highlights model practices and programs being provided by HIISD.

The staff of the Legislative Budget Board appreciates the cooperation and assistance that your staff and Texas Public School Consulting, Inc. provided during the preparation of this report.

Please note that the LBB will be recommending that the Texas Education Agency conduct an investigation regarding governance issues that surfaced during the course of this management and performance review.

The report is available on the LBB website at http://www.lbb.state.tx.us.

Respectfully submitted,

John O'Brien
Deputy Director
Legislative Budget Board

cc: Benny Barrow
Roger George
Kathy Myers
Jake Angelo
Darrell Daily
Gary Kent
Linda Wilson

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EXECUTIVE SUMMARY

High Island Independent School District's (HIISD's) school review report noted 4 accomplishments within the district's operations and made 67 recommendations for improvement. The following is a summary of the most significant and noteworthy accomplishments and findings that resulted from the review. A copy of the full report can be found at www.lbb.state.tx.us.

SIGNIFICANT ACCOMPLISHMENTS

- HIISD has been very successful in securing scholarships for its students by obtaining support and donations from peninsula businesses and area colleges/universities.
- HIISD ensures cleanliness and compliance in the district's cafeteria, resulting in four consecutive years of special achievement recognition from the county health district.

SIGNIFICANT FINDINGS

- HIISD's Board of Trustees has not provided adequate management oversight of the district, with the district experiencing educational, financial, and operational challenges.
- HIISD has access to a comprehensive curriculum and instructional resources but does not ensure teachers use the board-adopted curriculum or available training resources.
- HIISD does not provide adequate instruction to students with special needs nor does it comply with state or federal regulations governing educational services for this population.
- HIISD's organizational structure and the lack of clearly defined roles and responsibilities do not support effective leadership and management of the district.
- HIISD does not have a process to adequately prepare and manage its budget.
- HIISD offers taxpayers a local optional homestead exemption (LOHE) that reduces property tax revenues needed to support the district's educational programs.
- HIISD does not have a plan for managing its fund balance causing the fund balance to drop far below the optimum level recommended by the Texas Education Agency (TEA).
- HIISD lacks a process for guaranteeing that all educators are appropriately certified.
- HIISD's employees are not familiar with the payroll recordkeeping and overtime pay requirements of the United States Department of Labor's Fair Labor Standards Act (FLSA).
- HIISD does not accurately count and report bus mileage and ridership in accordance with TEA guidelines for transporting out-of-district students.

SIGNIFICANT RECOMMENDATIONS

- **Recommendation: Cooperate with the TEA regarding the recommendation of the Legislative Budget Board that TEA conduct an investigation of HIISD under the provisions of the Texas Education Code §39.074, On-Site Investigations, and §39.075, Special Accreditation Investigations.** HIISD's Board of Trustees has not provided effective management oversight of the district, with the district experiencing educational, financial, and operational challenges. Many of the district problems are not unique to the current leadership. Board members described the last 10 years in the district as difficult, owing to several factors including ineffective superintendents, excessive attorney fees due to settlements with employees, an employee who was stealing from the district, and problems with overestimations of enrollment projections. Several of the problems identified in HIISD constitute inconsistency with the law and/or district policy, have contributed to the financial situation of the district, and have negatively affected the teaching and learning environment. Cooperating with TEA to conduct the recommended investigations will allow district leadership to identify changes needed to improve management oversight of the district.
- **Recommendation: Improve student academic performance by ensuring consistent implementation of the board-adopted curriculum and instructional resources.** HIISD has access to a comprehensive curriculum and instructional resources

but does not make sure teachers use the board-adopted curriculum or available training resources. As a member of the Regional Education Service Center V (Region 5) Curriculum Leadership Cooperative (CLC), the district has access to comprehensive curriculum and instructional resources, including scope and sequences, lesson plans, benchmarks, curriculum-based workshops, and unlimited on-site training. The counselor/curriculum director is responsible for reviewing lesson plans, and maintaining a checklist of lesson plans submitted, but teachers are not held accountable for implementing the curriculum or developing lesson plans. The inconsistent implementation of the CLC curriculum contributes to poor student performance, especially at the elementary school, rated *Academically Unacceptable* in 2004–05. The district had a 2004–05 Texas Assessment of Knowledge and Skills (TAKS) passing rate of 45 percent compared to a state average of 62 percent, and a Region 5 average of 59 percent. Student performance should improve by assuring consistent implementation of the board-adopted curriculum and instructional resources.

- **Recommendation: Implement measures to adequately meet the instructional needs of students in the special education program and ensure that the program meets state and federal regulations.** HIISD does not provide adequate instruction to students with special needs nor does it comply with state or federal regulations governing educational services for these students. TEA has cited the district for over-identification of special education students, not providing the least restrictive instructional environment, and not making adequate progress toward students attaining grade level performance in mathematics. It serves 38 special education students, 26 who transferred into the district with special education eligibility. The district should monitor the implementation of the plan it developed with the Gulf Coast Special Education Cooperative to address the deficiencies identified by TEA. The student individual education plans should reflect Texas Essential Knowledge and Skills (TEKS) objectives encompassing below grade level targets, as well as those on the students grade level, with goals to generate student progress towards grade level functioning across the curriculum. By implementing these strategies, the district will better serve the instructional needs of students with special needs.

- **Recommendation: Develop an organizational structure that provides oversight, support, and direction for all district programs, and develop job descriptions clearly communicating the duties and responsibilities of staff.** HIISD's organizational structure and the lack of clearly defined roles and responsibilities do not support effective leadership and management of the district. Prior to May 1, 2006, when the district hired a principal, the superintendent was responsible for the duties of the superintendent, principal, and director of Maintenance, and was unable to effectively fulfill all of the responsibilities associated with all three positions. HIISD has not developed job descriptions to delineate the duties required for all positions. The district planning process is not being conducted according to district policy, and teachers are not provided with written feedback concerning educational or operational matters. The district's counselor/curriculum director's responsibilities are too broad, as the director is responsible for providing counseling for students from kindergarten to twelfth grade and for providing curriculum assistance to the teachers. Additionally, the director is responsible for at least 9 other programs that include federal programs, 504 services, staff development, and parental involvement. By developing an improved organizational structure and developing job descriptions, district staff will better understand their duties and responsibilities.

- **Recommendation: Develop a coordinated budget preparation and management process including the board, staff, and other stakeholders in budget planning, preparation and evaluation.** The district lacks a process to adequately prepare and manage its budget. The budget process is not linked to academic goals and does not evaluate revenue and expenditure trends, consider long-term needs, monitor the budget, or include district employees in budget training, development and monitoring. The superintendent, finance officer, and board all lack adequate budget training. The lack of an adequate budgeting process has caused numerous problems, including an average annual deficit in Food Service of more than $33,398 since 2003, resulting in the use of the general fund to support Food Service. The superintendent, finance officer, and board should obtain training in school district budget development. This training will provide the district with the skills to develop a comprehensive

and inclusive budget process that includes a budget calendar and stakeholder involvement.

- **Recommendation: Eliminate the LOHE and use the additional revenue to enhance instructional programs.** HIISD offers taxpayers an LOHE reducing property tax revenues needed to support the district's educational programs. The board grants residential homestead owners a 20 percent LOHE without any data showing how this action affects the district. Only 217 school districts in the state offer this exemption and many do not offer the full 20 percent exemption. The average market value of a homestead in HIISD is $55,477, leaving $29,382 in taxable property after taking the $15,000 state mandated homestead exemption and the $11,095 LOHE. By eliminating the LOHE, the district will increase funds available to meet student needs.

- **Recommendation: Develop a plan to manage the fund balance.** HIISD does not have a plan for managing its fund balance causing the fund balance to drop far below the optimum level recommended by the TEA. During the past five years, the General Fund Balance has varied between a deficit of over $165,000 in 2001–02 to a high of over $55,000 in 2002–03, and has declined since to nearly $25,000 in 2004–05. TEA sent the district several deficiency letters covering fiscal years 1999–2000 through 2003–04. In January 2006, TEA sent a letter informing the district that it still has a marginal fund balance with less than one month's expenditures of approximately $200,000. Due to an insufficient fund balance, HIISD has obtained bank loans to meet operational needs. The board and superintendent should develop a fund balance management plan that includes keeping the board informed of how budget decisions and amendments affect the fund balance. The plan should consider the district's long-range needs as well as an evaluation of factors contributing to the district's low fund balance, including the financial effect of accepting and transporting tuition-free transfer students.

- **Recommendation: Develop a process to guarantee that educator certification requirements are met prior to employment and are maintained in accordance with TEC.** HIISD lacks a process to guarantee that all educators are appropriately certified. After conducting teacher interviews, the superintendent is responsible for verifying that the candidate is appropriately certificated through the State Board of Educator Certification. No one in the organization is currently responsible for tracking employees' progress toward attaining appropriate certifications. There are several teachers in the district who are not appropriately certified, and several teachers are teaching in areas outside of their area of certification. The district has not sent appropriate notification to parents that an inappropriately certified, or uncertified teacher has been assigned to the classroom. Developing a process to make sure that educator certifications meet the required legal standards will ensure the district is in compliance with all state requirements.

- **Recommendation: Evaluate the payroll recordkeeping and overtime procedures to ensure compliance with all state and federal requirements.** HIISD's employees are not familiar with the payroll recordkeeping and overtime pay requirements of the United States Department of Labor's FLSA. The district has not established procedures to identify employees who should receive overtime pay for all hours worked in excess of a 40-hour work week. The district has 19 full-time employees subject to the wage, overtime and recordkeeping requirements of the FLSA, of these, 5 perform extra duties periodically requiring work in excess of a 40-hour work week. They accrue compensatory time on a one-for-one basis. Failure to comply with the requirements of the FLSA places HIISD at risk for fines and other damages. Evaluating the payroll recordkeeping and overtime procedures will make sure that the district complies with all state and federal requirements.

- **Recommendation: Establish meals-per-labor-hour (MPLH) standards to evaluate productivity and modify staffing.** HIISD does not determine its Food Service department staffing levels based on the number of meals served per labor hour, or the average number of staff hours. There are 4 full-time employees: a Food Service manager, 2 cooks, and 1 dishwasher/cook, each working 8-hour shifts daily serving an average of 64 breakfasts and 131 lunches to students, and an average of 8 meals to teachers and staff. The Food Service manager does not know how to effectively staff the department, and does not understand how to implement standard performance measures such as MPLH. Therefore, the manager has not rearranged schedules or applied staffing ratios to appropriately staff the department. To

establish employee productivity standards to achieve a minimum of 12 MPLH, the district would need to reduce its total daily hours worked to 20. Establishing MPLH standards will allow the district's food service program to function more efficiently by improving productivity and increasing profitability.

- **Recommendation: Eliminate the practice of claiming reimbursement funding from TEA for counting riders and mileage for transporting out-of-district students.** HIISD does not accurately count and report bus mileage and ridership in accordance with TEA guidelines for transporting out-of-district students. The district transports approximately 87 out-of-district students from outlying communities including Crystal Beach and Port Bolivar, which are approximately 39.2 and 57.4 round trip miles from High Island, respectively. The district includes these students in the TEA transportation reports prepared for obtaining state transportation funding. These students have transferred to the district from Galveston ISD, but do not meet the eligibility requirements established by TEA for transportation funding. The riders and the mileage accumulated by HIISD buses to transport the out-of-district students should not be reported for claiming reimbursement funding from the state. Rather, the district must pay for transporting these students with district funds. Eliminating the practice of claiming reimbursement funding for transporting out-of-district students will guarantee the district is in compliance with the state transportation reimbursement requirements.

GENERAL INFORMATION

- HIISD is located in Galveston County at the north end of the Bolivar Peninsula, approximately 30 miles east of Galveston. The district includes 184 total square miles: 32 square miles of land and 152 square miles of water (Gulf of Mexico).
- HIISD has a 2004–05 student enrollment of 250 students; 128 are transfer students from the south end of the peninsula, who would otherwise have to use the ferry to attend Galveston ISD (GISD).
- HIISD is predominantly Anglo at 89.6 percent, 7.6 percent Hispanic, 0.4 percent African American, 2.4 percent other, and 48.8 percent are economically disadvantaged, less than the state's 54.6 percent. In 2004–05, HIISD received an overall accountability rating of Academically Acceptable from TEA, but the elementary school was rated Academically Unacceptable.
- HIISD has an overall TAKS passing rate of 45 percent, significantly lower than the state average of 62 percent.
- HIISD's 2004–05 property wealth per student is $308,407. It ranked 276th in property wealth out of 1,031 districts.
- HIISD improved its rating in the Financial Integrity Rating System of Texas (FIRST) from Substandard in 2001–02 due to a deficit fund balance to Above Standard Achievement in 2003–04.
- Superintendent Michael Sims was appointed superintendent in July 2004. Prior to that he had been the principal of the three schools in the district for four years.
- The district is served by Regional Education Service Center V.
- HIISD's district legislators are Senator Kyle Janek and Representative Craig Eiland.

SCHOOLS

- High Island Elementary School
- High Island Middle School
- High Island High School

FINANCIAL DATA

- Total actual 2004–05 expenditures: $2.54 million
- Fund balance: 2.1 percent of the 2004–05 total budgeted expenditures
- 2005–06 Tax Rate: $1.70 ($1.50 Maintenance and Operations and $0.20 Interest and Sinking)
- Instructional Expenditure Ratio (2003–04) (General Funds): 49.7 percent compared to 64.6 percent for the state

The following chapters each begin with a summary of HIISD's accomplishments, findings, and present recommendations included in the chapter. Detailed explanations of each accomplishment and findings/recommendations follow the summary and include fiscal impacts.

The end of each chapter includes a page number reference for additional information on the chapter topic included in the general information section of the appendices. The chapters conclude with a fiscal impact chart listing the chapter's recommendations and associated savings or costs for 2006–07 through 2010–11.

The appendices contain a general information section and the results of the district surveys conducted by the review team.

The following table summarizes the fiscal impact of the 67 recommendations contained in the report.

FISCAL IMPACT

	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
Gross Savings	$41,419	$89,720	$89,720	$89,720	$89,720	$400,299	$0
Gross Costs	($16,950)	($81,874)	($18,437)	($16,874)	($83,437)	($217,572)	($18,459)
TOTAL	**$24,469**	**$7,846**	**$71,283**	**$72,846**	**$6,283**	**$182,727**	**($18,459)**

CHAPTER 1

EDUCATIONAL SERVICE DELIVERY

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

CHAPTER 1. EDUCATIONAL SERVICE DELIVERY

High Island Independent School District (HIISD) is located in Galveston County 30 miles east of the City of Galveston on the Bolivar Peninsula and covers 32 square miles of land and 152 square feet of water in a sparsely populated area. As of February 2006, it served 236 students including 128 transfer students from three other small communities on the peninsula who would otherwise attend Galveston ISD.

It has a high school, middle school and elementary school located on the same property and is served by one principal. Forty-nine percent of the student enrollment is classified economically disadvantaged, lower than the state average of 55.5 percent. The student population is predominantly Anglo at 89.6 percent. Hispanic students are the next largest group at 7.6 percent, followed by Native American and Asian/ Pacific Islander each at 1.2 percent and 0.4 percent African American. Since 2000–01, it has had a variable enrollment pattern with a high of 279 students in 2001–02 to a low of 236 in 2005–06.

The district is struggling academically as measured by the Texas Assessment of Knowledge and Skills (TAKS). It received an overall rating of *Academically Acceptable* in 2004–05, a decline from a *Recognized* rating in 2002–03, and an *Academically Acceptable* rating in 2003–04. The middle and high schools earned *Recognized* ratings in 2002–03 and 2003–04, and an *Academically Acceptable* rating in 2004–05, while the elementary school rating declined from *Recognized* in 2002–03 to *Academically Unacceptable* in 2004–05. All the district schools met Adequate Yearly Progress (AYP) in 2005.

The Texas Essential Knowledge and Skills (TEKS) identifies what Texas students should know and be able to do at every grade and in every course in the foundation and enrichment areas as they move through the state's public schools. It is these foundation standards that the state assesses with the TAKS.

FINDINGS

- HIISD has access to a comprehensive curriculum and instructional resources but does not ensure teachers use the board-adopted curriculum or available instructional resources.
- HIISD lacks a local policy to provide direction to the administration or the board for curriculum management.
- HIISD does not provide adequate instruction to students with special needs nor does it comply with state or federal regulations governing educational services for this population.
- HIISD lacks a gifted and talented (G/T) program to serve elementary and middle school students and has not fully developed the program at the high school level.
- HIISD is not in compliance with state law requiring schools to delineate the allocation of compensatory education funds in the campus improvement plans (CIPs).
- HIISD does not evaluate the effectiveness of its State Compensatory Education (SCE) and federal Title I programs in improving the high school completion rates and academic performance of students identified as at risk of dropping out of school.
- HIISD has not developed or implemented a comprehensive counseling and guidance program to meet the developmental needs of students.

RECOMMENDATIONS

- **Recommendation 1: Improve student academic performance by ensuring consistent implementation of the board-adopted curriculum and instructional resources.** The principal should review curriculum implementation across grade levels and provide feedback to teachers. The principal should also meet with teachers to establish a schedule of team meetings whose agendas include review of student performance, curriculum review, benchmarking strategies and schedules, and development of initiatives and goals to address emerging issues.
- **Recommendation 2: Adopt a board policy that provides direction for curriculum management.** The district should work with the Texas Association of School Boards (TASB) to formulate and adopt a policy

addressing coordination of instructional materials, curriculum evaluation, and staff training.

- **Recommendation 3: Implement measures to adequately meet the instructional needs of students in the special education program and ensure that the program meets state and federal regulations.** The district should monitor the implementation of the plan it developed with the Gulf Coast Special Education Cooperative (GCSEC) to address the deficiencies identified by the Texas Education Agency (TEA). The student individual education plans (IEPs) should reflect TEKS objectives that encompass below grade level targets, as well as those on the students grade level, with goals to generate student progress towards grade level functioning across the curriculum.
- **Recommendation 4: Develop a program for G/T students at the elementary and middle schools and strengthen the program at the high school.** The district should use the *Texas State Plan for the Education of Gifted and Talented Students* as a guide to strengthen its G/T program, and at a minimum, meet the standards required for an *Acceptable* program. It should develop objectives in the CIPs that delineate strategies to reach an *Acceptable* level. It should then use the CIPs as guides for developing a G/T program at the elementary and middle schools and to strengthen the high school program. HIISD should establish a process to ensure all teachers and administrators involved with the G/T program receive the required training.
- **Recommendation 5: Ensure the CIPs specify the SCE fund allocations for each program or initiative targeting students at risk of dropping out of school.** The district should implement a site-based budgeting procedure to determine how the district uses SCE funds, establish targets for improvement and performance measures, and allocate funds within the requirements of the law.
- **Recommendation 6: Establish an annual evaluation of the SCE and federal Title I programs.** District administrators should obtain assistance from the Regional Education Service Center V (Region 5) to develop an evaluation process. The evaluation should include baseline data and monitor student progress throughout the program. It should be used to adjust the programs as needed to meet student needs.
- **Recommendation 7: Develop and implement a comprehensive counseling and guidance program.** The superintendent should reassign some of the counselor/curriculum director's administrative responsibilities to other staff, so that the counselor can focus on developing the counseling and guidance program. The principal should assume the curriculum director responsibilities, coordinate summer school and facilitate Admission, Review and Dismissal (ARD) meetings. The district should also consider paying instructional staff stipends for coordinating programs such as the G/T and Safe and Drug Free Schools programs. By alleviating some of the counselor's current responsibilities, the position will have more time to develop and implement a counseling and guidance program that better meets the needs of students.

DETAILED FINDINGS

CURRICULUM POLICIES AND MANAGEMENT (REC. 1)

HIISD has access to a comprehensive curriculum and instructional resources but does not ensure teachers use the board-adopted curriculum or available instructional resources.

As a member of the Region 5 Curriculum Leadership Cooperative (CLC), the district has access to a well-developed curriculum including the following resources:

- implementation manual;
- scope and sequences;
- benchmarks/goals;
- TEKS-based skill spreadsheets;
- lesson plans;
- principal's monitoring tool;
- parent brochures;
- vertical and horizontal alignment; and
- alignment with national and statewide academic standards and skills.

These documents are available in three formats: notebooks, CDs, and online. Region 5 also provides CLC member districts with support services including: an annual CLC steering council meeting; program updates via email and newsletter; assistance with district audits; curriculum-based workshops at Region 5; and unlimited on-site training. The

district has been a cooperative member since 1991 and pays an annual membership fee of $3,500.

The CLC provides curriculum for the areas listed in **Exhibit 1-1**.

The district lacks a process to ensure teachers use the board-adopted curriculum or available instructional resources. The school counselor/curriculum director and the CLC educational consultant each expressed concerns about elementary teachers who continue to use outdated materials instead of the CLC curriculum and resources. The counselor/curriculum director is responsible for reviewing lesson plans; however, administrators do not hold teachers accountable for submitting lesson plans or provide teachers feedback on lesson plan adequacy. For example, as of February 2006, two elementary school teachers had not submitted any lesson plans for the year. Some elementary teachers were unable to describe the CLC curriculum and did not know where it was located. District administrators have not held teachers accountable for curricular implementation or teaching strategies.

The CLC provides staff development to help teachers implement the curriculum, but in 2004–05, HIISD did not request any on-site training to help improve its student performance in these curricular areas. In 2005–06, the CLC educational consultant provided only one formal training session for district staff. The CLC educational consultant said the training is effective for the secondary teachers, but elementary teachers are rarely in attendance and do not actively participate when they do attend. Another example of the district's failure to use available resources is that it did not send any teachers to a complimentary Writers Academy provided by Region 5 to member districts. The cost of this academy for non-members is $350–$450 per day per person.

The elementary, middle school, and high school CIPs include a curriculum goal stating the district will use the CLC curriculum guides for teaching all subject areas, and that teachers will use the CLC online assessment (WebCat Gold) in the core subject areas. However, the schools are not using the CIPs as a tool to guide enhanced academic performance.

The lack of accountability and inconsistent use of the board-adopted curriculum has contributed to poor academic performance, especially at the elementary school. In 2004–05, it was rated *Academically Unacceptable* due to low passing rates in mathematics, science, and writing. On TAKS, HIISD performs consistently below peers in reading/English language arts (ELA), mathematics, writing, science and social studies. **Exhibit 1-2** compares HIISD's 2004–05, TAKS passing rates to its peers, Region 5 and the state.

Exhibits 1-3 through **1-5** compare the district's TAKS passing rates by school and grade level to Region 5 and the state.

At the elementary level, HIISD's passing rates are lower than the state and the region in all subjects. The district is performing significantly below the state and Region 5 in grade 4 mathematics and grade 5 science.

EXHIBIT 1-1
CURRICULUM AREAS, CURRICULUM GUIDES, AND CURRENT UPDATES
2006

CURRICULUM AREA	LAST UPDATE	AVAILABLE GUIDES	ALIGNED TO TEKS/TAKS	SCOPE & SEQUENCE CLEAR AND APPROPRIATE
Physical Education	2001	Yes/Network	Yes	Yes
English/Language Arts	2002	Yes/Network	Yes	Yes
Mathematics	2003	Yes/Network	Yes	Yes
Fine Arts/Music	2004	Yes/Network	Yes	Yes
Reading	2002	Yes/Network	Yes	Yes
Science	2003	Yes/Network	Yes	Yes
Health	2001	Yes/Network	Yes	Yes
Social Studies	2003	Yes/Network	Yes	Yes
Technology	2004	Yes/Network	Yes	Yes

SOURCE: HIISD List of Curriculum Guides, February 2006.

EXHIBIT 1-2
TAKS PASSING RATES (SUM OF ALL GRADES TESTED)
HIISD, PEERS, REGION, AND STATE
2004–05

TAKS TESTED AREAS	CHESTER ISD	SILVERTON ISD	VEGA ISD	WHITHARRAL ISD	HIGH ISLAND ISD	REGION 5	STATE
Reading/ELA	80%	93%	93%	93%	**75%**	**82%**	**83%**
Mathematics	60%	87%	87%	86%	**57%**	**69%**	**72%**
Writing	96%	96%	99%	85%	**69%**	**87%**	**90%**
Science	70%	91%	78%	74%	**53%**	**63%**	**66%**
Social Studies	78%	98%	95%	95%	**75%**	**86%**	**88%**
All Tests Taken	50%	84%	80%	76%	**45%**	**59%**	**62%**

SOURCE: Texas Education Agency, Academic Excellence Indicator System (AEIS), 2004-05.

EXHIBIT 1-3
TAKS PASSING RATES BY GRADE LEVEL AND SUBJECT
HIISD, REGION, AND STATE
GRADES 3–5
2004–05

	READING	MATHEMATICS	WRITING	SCIENCE	SOCIAL STUDIES	ALL TESTS TAKEN
GRADE 3						
High Island ISD	*	*				*
Region 5	89%	82%				76%
State	89%	82%				76%
GRADE 4						
High Island ISD	67%	31%	50%			31%
Region 5	77%	80%	86%			66%
State	80%	82%	91%			70%
GRADE 5						
High Island ISD	67%	86%		14%		14%
Region 5	74%	77%		62%		51%
State	75%	80%		64%		55%

*Numbers less than five have not been cited due to the Family Educational Rights and Privacy Act (FERPA) 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
SOURCE: Texas Education Agency, AEIS, 2004-05.

At the middle school, the passing rates are comparable to the region and state in reading, but lower in mathematics, writing, and social studies.

At the high school, the students in grades 9 and 10 had lower passing rates in all academic areas, while grade 11 students had significantly higher passing rates in mathematics and science than the region and state and had comparable scores in reading/ELA and social studies.

The district has a significant percentage of transfer students which appear at first glance to possibly affect the elementary school performance in grades 4 and 5. However, enrollment figures from 2005 show that the greatest percentages of transfer students are in grades 6, 8, and 11, which have the highest TAKS scores in the district (**Exhibit 1-6**). The data in **Exhibit 1-6** is sorted to show greatest percentages of transfer students at the top arranged in succession to the lowest percentages at the end.

The performance of HIISD students in grades 4 and 5 on certain TAKS subtests caused a rating of *Academically Unacceptable* for the elementary campus, which is consistent with a steady decline in rating for the past three years. The poor performance on the TAKS, especially at the elementary level, suggests that the materials the teachers are using are

EXHIBIT 1-4
TAKS PASSING RATES BY GRADE LEVEL AND SUBJECT
HIISD, REGION, AND STATE
GRADES 6–8
2004–05

	READING	MATHEMATICS	WRITING	SCIENCE	SOCIAL STUDIES	ALL TESTS TAKEN
GRADE 6						
High Island ISD	85%	58%				60%
Region 5	81%	65%				61%
State	86%	73%				69%
GRADE 7						
High Island ISD	81%	53%	82%			56%
Region 5	79%	60%	88%			56%
State	81%	65%	89%			60%
GRADE 8						
High Island ISD	84%	56%			64%	40%
Region 5	83%	58%			84%	54%
State	84%	62%			85%	58%

SOURCE: Texas Education Agency, AEIS, 2004-05.

EXHIBIT 1-5
TAKS PASSING RATES BY GRADE LEVEL AND SUBJECT
HIISD, REGION, AND STATE
GRADES 9–11
2004–05

	READING	MATHEMATICS	SCIENCE	SOCIAL STUDIES	ALL TESTS TAKEN
GRADE 9					
High Island ISD	78%	50%			47%
Region 5	82%	57%			54%
State	83%	58%			56%
GRADE 10					
High Island ISD	53%	42%	30%	70%	14%
Region 5	69%	55%	49%	82%	36%
State	68%	59%	55%	85%	40%
GRADE 11					
High Island ISD	86%	94%	94%	94%	83%
Region 5	88%	78%	80%	95%	67%
State	88%	81%	81%	95%	69%

SOURCE: Texas Education Agency, AEIS, 2004-05.

not aligned with the state standards. **Exhibit 1-7** shows the HIISD TEA ratings for 2002–03 through 2004–05.

There is no data available that shows the TAKS scores of students transferring into the district, so it is impossible to determine what, if any, effect these students have on the small numbers of test takers in the elementary school.

The lack of a process to monitor the implementation of the board-adopted curriculum resulted in an inconsistent application of the curriculum program across all grade levels. This issue has directly affected instructional delivery and student performance. The district has not identified or assessed the problems contributing to low student performance.

EXHIBIT 1-6
PERCENTAGES OF TRANSFER STUDENTS BY GRADE COMPARED TO TAKS SCORES
2004–05

GRADE	NUMBER OF STUDENTS: TOTAL ENROLLMENT	NUMBER OF TRANSFER STUDENTS	PERCENTAGE TRANSFER STUDENTS	READING	MATHEMATICS	WRITING	SCIENCE	SOCIAL STUDIES	ALL TESTS
11	26	20	77%	86%	94%		94%	94%	83%
8	24	14	58%	84%	56%			64%	40%
6	8	5	63%	85%	58%				60%
4	11	7	64%	67%	31%	50%			31%
10	24	13	54%	53%	42%		30%	70%	14%
K	9	5	56%						
7	22	12	55%	81%	53%	82%			56%
2	18	10	56%						
12	25	11	44%						
9	33	17	51%	78%	50%				47%
1	*	*	*						
5	15	6	40%	67%	86%		14%		14%
3	14	5	36%						

* Numbers less than five have not been cited due to the FERPA 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
SOURCE: HIISD Enrollment/Attendance/Honors/Failures 2005 - Second Semester/Fifth Six Weeks Reporting, PEIMS coordinator, April 2006.

EXHIBIT 1-*7*
HIISD ACCOUNTABILITY RATINGS
2002–03 THROUGH 2004–05

SCHOOL	2002–2003 AEIS RATING	2003–2004 AEIS RATING	2004–2005 AEIS RATING
Elementary	Recognized	Academically Acceptable	Academically Unacceptable
Middle School	Recognized	Recognized	Academically Acceptable
High School	Recognized	Recognized	Academically Acceptable

SOURCE: Texas Education Agency, AEIS, 2002-03 through 2004-05.

Many school districts use models, such as the CLC, to guide instruction. They also have systems to ensure the curriculum program is implemented and evaluated for effectiveness. For example, Birdville ISD (BISD) developed a curriculum management plan containing the following elements:

- assign clear roles and responsibilities regarding curriculum management;
- stipulate that central administration articulates the design of the curriculum throughout the district ensuring horizontal and vertical alignment;
- designate school-based administrators as instructional leaders for the delivery of the curriculum;
- describe "walk-through" strategies for instructional leaders to monitor the delivery of the curriculum;
- assign teachers the responsibility of delivering the curriculum on a daily basis and of meeting with grade-level and vertical teams to ensure curriculum alignment; and
- identify measures to evaluate effectiveness of curricular delivery.

BISD uses assessment data to strengthen the curriculum on an ongoing basis. Through staff development, the district ensures that teachers and administrators understand how to deliver the curriculum, their individual roles, and methods for resolving problems that may arise in implementing the curriculum.

HIISD should improve student academic performance by ensuring consistent implementation of the board-adopted

curriculum and instructional resources. The principal should review curriculum implementation across grade levels and provide feedback to teachers. The principal should meet with the teachers at each school to establish a schedule of team meetings with agendas including a review of student performance, curriculum review, benchmarking strategies and schedules, and development of initiatives and goals to address emerging issues. The principal should also begin daily classroom observations, paying particular attention to fourth grade mathematics and writing, and fifth grade science, to ensure that the written, taught, and tested curriculum are properly aligned. The principal should also develop and implement a process to review student assessment data. The data assessment should guide a revision of instructional techniques and strategies in the classroom specific to student needs.

The instructional leaders should plan staff development targeting the specific needs of the instructional staff. Staff development needs should be identified through teacher evaluations, disaggregated student data, and the CLC curriculum standards and strategies. The counselor/curriculum director, also responsible for staff development, should work with the CLC educational consultant to develop this plan. They should establish a schedule of training using the CLC resources and training specialists.

LOCAL CURRICULUM POLICY (REC. 2)

HIISD lacks a local policy to provide direction to the administration or the board for curriculum management.

The district has seven board policies addressing curriculum and instruction, none of which guide the district in curriculum management.

Although board policies specifically address the TEKS and TAKS, the district has no policy or established process for administration or the board to review curriculum issues, verify implementation, or evaluate the outcomes of the district curriculum. The board does not ensure that district administrators prepare, or adhere to, a curriculum review schedule. The lack of a curriculum management policy leaves the board without a directive to oversee the curriculum implementation process and hampers its ability to ensure that the students' instructional needs are met.

Many schools ensure that well-written board policies on curriculum management are included in their policy manuals. Birdville ISD has a curriculum management policy that includes a cycle of curriculum review and provisions for staff training. Any area of the curriculum framework assessed by TAKS is automatically reviewed each year following the receipt of the assessment scores. Other areas are reviewed on a three-to-five-year basis.

HIISD should adopt a board policy that provides direction for curriculum management. The district should work with TASB to formulate and adopt a policy that meets its needs. The policy should address coordination of instructional materials, curriculum evaluation, and staff training.

SPECIAL EDUCATION (REC. 3)

HIISD does not provide adequate instruction to students with special needs nor does it comply with state or federal regulations governing educational services for this population.

Through its Performance Based Monitoring Analysis System (PBMAS) TEA found HIISD has over-identified special education students, has not maintained the least restrictive environment instructional arrangement that meets state standards, and is not making adequate progress to provide for special education students to make significant progress toward grade level functioning in mathematics. The PBMAS is designed to assist school districts in their efforts to improve local performance in bilingual/English as a second language programs, career and technical education, special education, and some Title I programs. It reflects critical areas of student performance, program effectiveness, and data integrity. In special education, it rates districts on 19 performance indicators on a scale of 0 to 3, with 0 indicating the district met the standard and 3 meaning the district needs to improve. Results on each PBMAS indicator and patterns across indicators are examined to determine required levels of intervention. Based on the ratings, TEA establishes Levels of Performance Concern in each selected program area.

HIISD's Level of Performance Concern was assessed as "High" or Stage Three in the 2004–05 PBMAS special education data with the district receiving four or more individual PBMAS indicators of three. The district responded by completing a Continuous Improvement Plan to address these issues as required by TEA.

The district exceeded state standards in over-identification of special education students and in the percentage of students receiving 21 percent to 50 percent of their instruction in special education classes. These were concerns with both the elementary and secondary special education programs. Additionally, the district did not meet the state

standard requiring special education students to take the State Developed Alternative Assessment II (SDAA II) on grade level, or one grade level, below the enrolled grade level for mathematics.

Exhibit 1-8 compares HIISD ratings on the PBMAS to peer districts and to the state rate on the performance indicators in which the district rating exceeded the state rate by more than 10.1 percentage points.

As shown in **Exhibit 1-8**, HIISD exceeds the state standard SDAA II passing rate in reading, an area of strength in the special education program; however, on the SDAA II gap closure in mathematics the district rate is 48.1 percentage points lower than the state's rate. The exhibit also highlights 19.6 percent of students as in need of special education services as compared to the state average of 8.5 percent.

According to the district's Public Education Information Management System (PEIMS) coordinator, 26 of the 38 special education students are transfer students enrolled in HIISD with special education eligibility (68 percent). This resulted in excessive numbers of transfer students spending more than 21 percent of their instructional day in special education classes, since they entered the district with ARD committee decisions documenting the need for these arrangements. Pending receipt of records from the previous school, HIISD must conduct an ARD meeting for each new transfer student with a special education eligibility in order establish temporary services. The district must replicate previous school services until the records are received and annual services are determined.

The GCSEC assisted HIISD in developing the TEA-required Continuous Improvement Plan for 2005–06, which included the following strategies to address issues identified by the PBMAS:

- re-evaluating all transfer students upon enrollment to identify validity of eligibility;
- training and planning leading to an inclusion program in the district for all but the most severely handicapped students;
- training in ARD committee decision process;
- training for general education staff on understanding disabilities and modifying instruction for student success;
- strengthening of the district pre-referral process; and
- dismissing speech only eligible students to the greatest extent possible.

Due to failure to comply with state and federal regulations governing education of students with special needs, HIISD faces continued interventions by TEA.

Special education programs provide a continuum of learning including efforts to move students into the general education curriculum and classrooms. Each student has an Individual Education Plan (IEP) identifying specific academic delays, and the teaching and learning strategies that will be implemented to address those delays. Individual student needs are met through accommodations in the general education classroom, coupled with teacher training in serving special needs students through inclusion in the general

EXHIBIT 1-8
PBMAS RATINGS FOR FOCUSED/PROBLEM AREAS
HIGH ISLAND INDEPENDENT SCHOOL DISTRICT, PEER DISTRICTS AND STATE
2005

PERFORMANCE AREA	HIGH ISLAND	VEGA	SILVERTON	WHITHARRAL	CHESTER	STATE RATE
TAKS Passing Rate: Reading	**66.7%**	>99%	*	*	33.3%	**50.0%**
SDAA II Gap Closure Mathematics	**<1%**	73.3%	16.7%	>99%	66.7%	**48.1%**
Least Restrictive Environment (3-11)	*	*	*	*	*	**25%**
Least Restrictive Environment (12-21)	*	*	*	*	*	**46.1%**
Special Ed Identification	**19.6%**	17.1%	11.1%	11.2%	15.1%	**8.5%**

* Numbers less than five have not been cited due to the FERPA 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
SOURCE: Texas Education Agency, PBMAS, 2005.

education classroom. Inclusion brings support services to the student, rather than moving the student to the services, and requires that the student will benefit from being in the general education classroom.

The federal Individuals with Disabilities Education Act and its 1997 and 2004 amendments stated that schools have a duty to educate children with disabilities in the general education classroom. Students whose academic progress toward grade level placement increases are better able to function in the general education classroom with content mastery or other tutorial programs, relying less on programs pulling them from general education into resource classes.

TEA identified Elkhart ISD elementary school in the 2004 Showcase of Promising Practices due to their successful integration of students with disabilities into the general education classroom from preschool through fifth grade. The campus has a variety of education supports to meet the unique needs of the students. Numerous teachers hold certification in both general education and special education, and the teachers, counselors, therapists, and administrators collaborate to coordinate individualized programs to meet these students' education needs. Special education teachers, referred to as co-educators, are assigned to specific grade levels to collaborate with the general education teacher to meet the goals of the students in the general education environment. Typically, other support personnel, including speech therapists, physical therapists, occupational therapists, and counselors, provide services within the regular classroom routine. Emphasis and value are placed on professional development and training to support the educators in addressing the individual needs of all students with disabilities. Special education students are regularly assessed to determine academic performance levels, and specific progress is documented.

HIISD should implement measures to adequately meet the instructional needs of students in the special education program and ensure that the program meets state and federal regulations. It should monitor implementation of the plan developed with GCSEC addressing deficiencies identified through the PBMAS.

Student IEPs should reflect TEKS objectives encompassing below grade level targets, as well as those on the student's grade level, with goals to generate student progress towards grade level functioning across the curriculum. The district should work with Region 5 and GCSEC to provide staff development focusing on identification of multiple assessment tools; scheduled benchmarking and assessment; using results to examine student performance; identification of methods to monitor student learning; instructional decision-making strategies that direct teaching and learning; and collaboration in grade and subject level teams that focuses on student work. Additionally, district administrators should monitor teacher performance and student learning through disaggregation of benchmarking results, and intervene based on teacher and student performance.

GIFTED AND TALENTED (REC. 4)

HIISD lacks a G/T program for elementary and middle school students and has not fully developed the program at high school level. It lacks a process for screening, selecting or serving elementary or middle school students who perform, or show potential for performing, at high levels of accomplishment. The district serves high school G/T students through its distance learning program but lacks a certified G/T instructor to oversee the program.

Distance learning is offered in collaboration with Lamar University. The students can earn college-credit taking advanced level classes not otherwise offered by the district. HIISD identifies high school students eligible for the dual-credit program through teacher, parent, administrator, community member, or self-nomination. A screening committee reviews nominations, test results, teacher and parent checklists, and student work to make an eligibility determination. Students who qualify for G/T services then may enroll for two courses per semester in the dual credit program. The district pays the tuition of $324 for three credit hours and $648 for six credit hours, and purchases the required books for the students. **Exhibit 1-9** lists the courses offered through the dual-credit program.

The program served five students in 2005–06. An instructional support person monitors the distance learning lab to ensure the equipment operates appropriately, and keeps in contact with Lamar University professors for additional student assistance and assessment. Equipment in the distance learning lab includes two monitors, four microphones, four speakers, and an Elmo projector.

The counselor/curriculum director coordinates the G/T program for HIISD. An elementary school teacher and a part-time high school teacher are G/T certified teachers but neither has direct responsibilities for the G/T program. The high school teacher teaches Pre-Calculus, Algebra I, Tutorials, and Algebra II.

EXHIBIT 1-9
LAMAR UNIVERSITY DUAL ENROLLMENT COURSE OFFERINGS
2004–06

COURSE NUMBER	COURSE TITLE
Economics	Principles
English 1301	Composition I
English 1302	Composition II
English 23XX	Sophomore Literature
History 1301	US History I
History 1302	US History II
Mathematics 1314	College Algebra
Mathematics 2413	Calculus I
Political Science 2301	American Government I

SOURCE: Lamar University Student Handbook, 2004-2006.

HIISD is significantly below its peer districts in the percentage of students identified for the G/T program. **Exhibit 1-10** compares HIISD to peer districts, Region 5, and the state in number and percentage of students identified for the G/T program.

The district has not identified G/T students from a culturally diverse student pool. The few students served in the distance learning program are Anglo.

The 2005–06 elementary and middle school CIPs each include the following goals specific to G/T services:

- ensure all teachers meet the 30 hours of staff development required to provide G/T services;
- screen and identify G/T students within six weeks of a referral;
- ensure G/T students receive the instruction needed to meet Commended Performance standards on TAKS; and
- require G/T students to produce a portfolio, which will be assessed by a G/T teacher and the G/T coordinator.

EXHIBIT 1-10
STUDENTS IDENTIFIED AS GIFTED AND TALENTED
HIISD, PEER DISTRICTS, REGION 5, AND STATE
2004–05

DISTRICT	NUMBER OF STUDENTS	PERCENT
Vega ISD	28	9.7%
Silverton ISD	24	11.5%
Whitharral ISD	19	10.7%
High Island ISD	5	2.0%
Chester ISD	*	*
REGION 5	**133.2**	**2.3%**
STATE	**6,452.8**	**2.2%**

* Numbers less than five have not been cited due to the FERPA 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
SOURCE: Texas Education Agency AEIS, 2004-05.

HIISD has not met any of these goals. The counselor/curriculum director conducts an inservice training at the beginning of each school year encouraging teachers to nominate students, but states the numbers of nominated students has steadily declined. Even without a G/T program, 38 students, or 15 percent of students in grades 3–8, achieved Commended Performance on the TAKS in 2005. This data demonstrates that there are potentially eligible G/T students enrolled at the elementary and middle schools.

The district's G/T services do not meet the *Acceptable* rating as described by the *Texas State Plan for Education of Gifted/Talented Students*, which forms the basis of program accountability for state mandated services for G/T students. The following list details specific performance objectives required to reach an *Acceptable* rating:

1.3A Students not yet identified are considered for nomination and screened once a year for services that are a part of the program for gifted students. (19 TAC §89.1(1))

1.4A Students in grades K–12 shall be assessed and, if identified, provided services. (Texas Education Code (TEC) §29.122 and 19 TAC §89.1(3))

1.6A Data and procedures assure that all populations of the district have access to assessment and, if identified, services offered as part of the program for gifted students. (19 TAC §89.1(3))

3.2A A continuum of learning experiences is provided that leads to the development of advanced-level products and/or performances (19 TAC §89.3(2))

5.3A The district evaluates the effectiveness of the program annually and uses the data to modify and update district and campus improvement plans. Parents are included in the evaluation process (TEC §11.251-11.253)

The lack of appropriate identification and services for G/T students leaves these students without the challenging learning experiences fitting their interests and abilities as required by state law. G/T students are not being provided a

continuum of services leading to development of advanced-level products and performances.

In 1987, the Texas Legislature mandated that all school districts must identify and serve gifted students at all grade levels. School boards are responsible for ensuring that districts comply with all state requirements regarding instructional programs. **Exhibit 1-11** delineates the standards required for G/T programs to achieve *Acceptable, Recognized* or *Exemplary* ratings.

HIISD should develop a program to serve G/T students at the elementary and middle schools and strengthen the program at the high school. The district should use the *Texas State Plan for the Education of Gifted and Talented Students* as a guide to strengthen its G/T program and, at a minimum,

EXHIBIT 1-11
TEXAS PERFORMANCE STANDARDS FOR GIFTED AND TALENTED STUDENTS

SECTION ONE: STUDENT ASSESSMENT

ACCEPTABLE	RECOGNIZED	EXEMPLARY
• Board approved policies on student identification, furloughs, reassessment, dismissal, transfer students and appeals are distributed to parents. • Students who are not in the program are screened once per year. • Students in K-12 are assessed in languages they understand (or nonverbally) and multiple sources are used for each area to be served. If identified, services are provided. • Three or more criteria are used for assessment for students in Kindergarten. • Three or more qualitative and quantitative criteria are used for assessment in the academic or intellectual fields for students in grades 1-12. • Three or more criteria are used for assessment if services are available in leadership, artistic areas, and creativity. • All populations of students in the district have equal access to the program. • Final decision of student acceptance into program is made by a selection committee of three or more district educators trained in the area of gifted and talented.	• Communication with parents is done so in languages they understand. • Parents and teachers are notified of assessment and given the option to request conferences to discuss the assessment. • Furloughs are allowed for specified reasons without resulting in dismissal from the program. • Reassessment is based on performance and does not occur more than once in grades K-5, once in grades 6-8 and once in grades 9-12. • Dismissal from the program occurs only after multiple criteria have been met including student performance, committee decision and consultation with parents and student. • Transfer students from other districts or other campuses are properly assessed and appropriately placed within six weeks of enrollment. • Information on the student's assessment data is forwarded for students who transfer to another district or campus. • Appeals are processed in a timely and comprehensive manner. • Students who are not in the program are screened once per year in grades K-5 and once per semester in grades 6-12. • All kindergarteners are screened automatically. • The selection committee takes into consideration not only the assessment data but the appropriate placement for the student. • Gains are made at least every two years toward the gifted and talented population reflecting the population of the district. • The majority of members of the selection committee have completed at least thirty hours of training.	• An awareness session is offered prior to nomination for parents to receive information and ask questions about the program. • Board policies are reviewed every three years or less and modified as needed. • Screening of students occurs anytime the need arises. • Students in grades 1 through 12 are assessed and served in all areas of giftedness. • The population of the program reflects the district population or has for the past two out of three years. • The majority of members of the selection committee are current with the six hour update training.

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EXHIBIT 1-11 (CONTINUED)
TEXAS PERFORMANCE STANDARDS FOR GIFTED AND TALENTED STUDENTS

SECTION TWO: PROGRAM DESIGN

ACCEPTABLE	RECOGNIZED	EXEMPLARY
• Parents are informed that during the school day and school year appropriate learning opportunities emphasizing content in the four (4) core academic areas are provided. • Program options enable students to work together as a group, work with other students, and work independently during the school day as well as the entire school year. • Out-of-school options are provided when relevant and appropriate. • Board approved policies are consistent with State Board of Education rules on credit by examination and Early High School Graduation. • No more than 15 percent of state funds allocated for gifted/talented education are spent on indirect costs and 85 percent of the funds allocated to gifted education shall be spent on assessment and services for gifted students. • School districts shall ensure that student assessment and services comply with accountability standards included in the Texas State Plan	• Information concerning special opportunities is distributed to parents and community members. • Specialists and advocates for gifted students are consulted in the development of program policies and options. • Flexible grouping patterns and independent investigations are employed in the four (4) core academic areas. • Out-of-school options are available continuously. • Flexible pacing is employed, allowing students to learn at the pace and level appropriate for their abilities and skills. • Local board policies are developed that enable students to participate in dual/ concurrent enrollment, correspondence courses, accelerated summer programs, and the Distinguished Achievement Program. • Local funding for gifted/talented education programs is used to enhance the state funding. • Annual evaluation activities are conducted by an advisory group of parents, staff and community members for program. • A person who has 30 hours of staff development in gifted/talented education is assigned to coordinate services for gifted/ talented students in K-12.	• Services for gifted/talented students are comprehensive, structured, sequenced, and appropriately challenging, including options in the four (4) core academic areas, arts, leadership and creativity. • District administrators, counselors, and teachers actively facilitate accelerated options. • Additional funding from business partnerships, scholarships, parent group fund raisers, etc. is used to enhance the state funding. • Ongoing evaluation strategies, based on quantitative and qualitative data, are used for program improvement and development and reviewed by the school board. • A person(s) who has an endorsement or advanced degree in gifted/talented education coordinates the program.

SECTION THREE: CURRICULUM AND INSTRUCTION

ACCEPTABLE	RECOGNIZED	EXEMPLARY
• Parents are informed that appropriately challenging learning experiences that emphasize content from the four (4) core academic areas. • A continuum of learning experiences is provided that leads to the development of advanced-level products and/or performances. • Opportunities are provided to accelerate in areas of student strengths. • District and campus improvement plans include provisions to improve/modify services to gifted/ talented students.	• Opportunities are provided for career and leadership assessment and for students to pursue areas of interest and/or strength in selected disciplines through guided and independent research. • A comprehensive manual or program guide is provided describing all programs and services for gifted students in grades K-12. • Students at all grade levels are involved in experiences that result in the development of sophisticated products and/or performances that are targeted to an audience outside the classroom. • Flexible pacing is employed, allowing students to learn at the pace and level appropriate to their abilities and skills.	• Curriculum for students provides options in intellectual, creative or artistic areas; leadership; and specific academic fields. • Students who have been served in a gifted program for one or more years will develop sophisticated products and/or performances assessed by external evaluators who are knowledgeable in the field that is the focus of the product. • Scheduling modifications are implemented to meet the needs of individual students.

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EXHIBIT 1-11 (CONTINUED)
TEXAS PERFORMANCE STANDARDS FOR GIFTED AND TALENTED STUDENTS

SECTION THREE: CURRICULUM AND INSTRUCTION (CONTINUED)

ACCEPTABLE	RECOGNIZED	EXEMPLARY
	• Curriculum is modified based on annual evaluations. • Resources and release time for staff are provided for curriculum development for services in the gifted/talented program. • District guidelines for evaluation of resources for gifted/talented students are established and used in selecting materials that are appropriate for differentiated learning. • Release time and/or extended contracts are provided to enable teachers at all levels to form vertical teams that coordinate advanced-level services in the district. • Student progress/performance in programs for the gifted is periodically assessed and this information is communicated.	• Specialists collaborate with curriculum planners as curriculum is being designed and evaluated. • Administrators monitor the development and delivery of curriculum for gifted/talented students. • Student performance is periodically assessed by standards developed by experts in the areas served in the district's program for gifted students.

SECTION FOUR: PROFESSIONAL DEVELOPMENT

ACCEPTABLE	RECOGNIZED	EXEMPLARY
• Teachers assigned to the program must have a minimum of thirty (30) clock hours of staff development that includes the nature and needs of students, assessing student needs, and curriculum and instruction for gifted students. • Teachers without required training who provide instruction and services that are part of the gifted/talented program must complete the thirty (30) hour training within one semester. • Teachers that are a part of the program must receive a minimum of six hours annually of professional development in gifted education. • Administrators and counselors who have authority for program decisions have a minimum of six (6) hours of professional development. • Evaluation of professional development activities is ongoing, and the results of the evaluation are used in making decisions.	• Teachers are encouraged to pursue advanced degrees or obtain additional professional development in their teaching discipline. • Release time is provided for teachers and administrators to visit campuses or districts that have model programs. • A written plan for professional development in the area of gifted education that is based on identified needs is implemented and updated annually. • All staff receives an orientation to the district or campus program for gifted/talented students and training on the nature and needs of the gifted. • Annually, each teacher new to the district receives an orientation to the district's program for gifted/talented students. • Local district boards of trustees are encouraged to pursue professional development on the Texas State Plan for the Education of Gifted/Talented Students. • Opportunities for professional development in the area of gifted education are provided on a regular basis and information on them is distributed to professionals in the district.	• District support in the form of release time or tuition assistance is available for an endorsement in gifted education for teachers who provide direct services to the gifted. • Mentors and others who offer specialized instruction for gifted/talented students are provided training to assist them. • Administrators and counselors who have authority for program decisions receive a minimum of six (6) hours annually of professional development in gifted education. • A long-range plan for professional development culminates in endorsement in gifted/talented education and/or advanced degrees for a majority of the teachers who provide advanced level services. • Staff of the program for gifted/talented students are involved in planning and conducting the training.

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EXHIBIT 1-11 (CONTINUED)
TEXAS PERFORMANCE STANDARDS FOR GIFTED AND TALENTED STUDENTS

SECTION FIVE: FAMILY-COMMUNITY INVOLVEMENT		
ACCEPTABLE	**RECOGNIZED**	**EXEMPLARY**
• Board approved policies include student identification and is distributed to parents. • Parents are notified of learning opportunities are provided for gifted/talented students in K-12. • Parents participate when the district evaluates the effectiveness of the program annually and uses the data to modify and update district and campus improvement plans.	• Input from family and community representatives on the assessment procedures is invited prior to submission to the local Board of Trustees. • Annual meetings are held or information is provided requesting parent and community nominations for program services. • Orientation and periodic updates are provided for parents of gifted students. • A parent/community advisory committee offers support and assistance to the district in program planning and improvement. • Products and achievements of gifted students are shared with the community. • Presentations are given to community groups and organizations to solicit their involvement in services for gifted students. • A data bank of community resources is compiled for use by students, teachers, and parents.	• Information is provided annually and meetings are held requesting parent and community nominations for program services. • Parents have the opportunity to participate in a parent association for the gifted/talented. • Community volunteers are organized and given special orientation in working with gifted students. • Liaisons with business and community organizations are established and the use of community resources is evident. • The district coordinator collaborates with the parent advisory committee to offer professional development opportunities to staff, parents, and community members. • The parent/community advisory group solicits support for mentorship and independent study programs in the district.

SOURCE: Texas Education Agency, Texas State Plan for the Education of Gifted/Talented Students, May 2000.

meet the standards required for an *Acceptable* program. It should develop objectives in the CIPs that delineate strategies to reach an *Acceptable* level. It should then use the CIPs as guides for developing a G/T program at the elementary and middle schools. It should strengthen the high school program by assigning a G/T certified teacher to oversee the program and work with G/T students. It should also implement an ongoing G/T nomination and assessment process. In addition, HIISD should establish a process to ensure all teachers involved in the G/T instructional program receive 30 hours of required training and six hours of annual continuing education. This training is available through Region 5 for $35 – $55 per course. Most of the courses earn six credit hours while a few earn nine credit hours. The fiscal impact cannot be estimated until the district administrators make decisions regarding the program structure and components.

COMPENSATORY EDUCATION AND CAMPUS IMPROVEMENT PLANS (REC. 5)

HIISD is not in compliance with state law requiring schools to delineate the allocation of compensatory education funds in the CIPs.

TEC requires schools to identify the costs of the supplemental instructional programs supported by SCE funds in the CIPs. The funds must be used to provide support programs and/or services that supplement the regular education program so that students at risk of dropping out of school can succeed in school, and the dollar amounts to be allocated to each program must be included in the CIPs.

In HIISD, there is no link between the budget development process and campus improvement planning process. The superintendent and the finance officer are primarily responsible for developing the budget, while the counselor/curriculum director coordinates the campus improvement planning process. Although the CIPs contain references to specific funding sources, they do not specify the amounts of SCE funds that will be spent for particular programs or strategies.

The TEC requires that programs funded with SCE funds be described in the CIPs. The district CIPs are the primary record supporting expenditures attributed to the SCE. The district must design the SCE-funded programs based on the identified needs of students at risk of dropping out of school. In addressing the needs of students at risk of dropping out of school, the district and/or campus improvement plan must include the following:

- total amount of SCE funds allocated for resources and staff;
- comprehensive needs assessment;
- identified strategies;
- supplemental financial resources for SCE;
- measurable performance objectives;
- timelines for monitoring strategies; and
- formative and summative evaluation criteria.

HIISD's CIPs stipulate the use of SCE funds for specific programs or initiatives in the schools, but do not identify the total amount of SCE funds allocated for resources and staff or a comprehensive needs assessment, as shown in **Exhibit 1-12**.

Exhibit 1-13 lists the areas of instructional program support that HIISD has identified for its use of SCE funds.

In 2004–05, the district spent a total of $91,059 in SCE funds. **Exhibit 1-14** is an accounting of categories of expenditures and associated SCE fund costs.

EXHIBIT 1-12
HIISD CAMPUS IMPROVEMENT PLANS
SCE FUND EXPENDITURES
2005–06

CRITERIA	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL
Total amount of funds allocated	no	no	no
Comprehensive needs assessment	no	no	no
Identified strategies	yes	yes	yes
Measurable performance objectives	yes	yes	yes
Timelines for monitoring strategies	yes	yes	yes
Evaluation criteria	yes	yes	yes

SOURCE: HIISD elementary, middle, and high school CIPs, 2005-06.

HIISD's CIPs do not account for all the district expenditures of SCE funds as required by state law. Furthermore, the district's use of SCE funds is not aligned with campus improvement plans for reduction of disparity in student performance, reduction of the dropout rate, or increase of high school graduation rates.

Ysleta Independent School District has implemented a site-based budgeting procedure, giving the principal and staff at each school full authority to determine how SCE funds are used. Schools designate funds to be used for general school improvement purposes if certain requirements are met. Each school has a written plan integrated into the CIP that includes regular education, instruction, special program planning, instructional support, and school improvement, with a required amount of community involvement.

HIISD should ensure the CIPs specify the SCE fund allocations for each program or initiative targeting students at risk of dropping out of school. The district should implement a site-based budgeting procedure to determine how the district uses SCE funds, establish targets for improvement and performance measures, and allocate funds within the requirements of the law.

COMPENSATORY EDUCATION PROGRAM EVALUATION (REC. 6)

HIISD does not evaluate the effectiveness of its SCE and federal Title I programs in improving high school completion rates and academic performance of students identified as at risk of dropping out of school.

The state allows use of the compensatory allotment to fund program costs that serve students at risk of dropping out of school (TEC Section 29.081), and requires districts to evaluate programs funded with compensatory money. The law does not specify a minimum standard or design for an evaluative process, but requires that the results of the evaluation be published in the district improvement plan.

All three HIISD campuses receive SCE and Title I federal funds to support supplemental programs designed to increase the achievement of students at risk of dropping out of school. Both the elementary and the middle schools have school-wide programs, meaning funds may be used to provide programs for the entire school benefiting all students. The high school program is not school-wide, meaning funds must be used to provide programs targeted specifically to the at risk students. Approximately 39 percent of HIISD

EXHIBIT 1-13
HIISD HIGH SCHOOL CAMPUS IMPROVEMENT PLAN GOALS: STATE COMPENSATORY EDUCATION FUND SOURCE
2005–06

GOAL AREA	LONG RANGE GOAL	PERFORMANCE OBJECTIVE	STRATEGIES
Curriculum	Increase the efficiency of all aspects of operations, including staff, teachers, and student performance.	Student scores on TAKS will reflect 70 percent – 80 percent proficiency.	Utilize the WebCat Gold for curriculum online assessment for all core subject areas (E,M,H*).
			Use TAKS data to determine the needs of individual students for reading, writing, mathematics, science and social studies (M,H).
			Make the TAKS tutorial class 30 minutes daily for students to receive individualized and small group instruction (H).
			Continue the Student Success Initiative, including the IndiVisual Reading Program, the Accelerated Reading Program, and also add more books to classroom libraries (E, M).
Career Awareness	Create a safe environment where all students have an equal opportunity to succeed through an integrated curriculum.	Career exploration will be included in grades 6, 7, and 8 in middle school.	Speakers, parents, community people, and videos are utilized in the classroom to make students aware of various careers (E, M, H).
Technology	Increase the efficiency of all aspects of operations, including staff, teacher, and student performance.	The students' use of technology in the instructional process will increase by 25 percent over last year's use.	Increase students' use of school computer lab (E, M).
Special Populations	Increase the efficiency of all aspects of operations, including staff, teacher, and student performance.	Students in special populations will receive services necessary for success.	Language Proficiency Assessment Committee (LPAC) meetings will be conducted at the beginning and end of each school year to determine placement and progress. (E,M, H).
		Special education students will meet IEP goals with 70 percent accuracy; 504 students will receive necessary modifications to be successful.	504 students are identified and procedures are followed with special modifications for each individual student. (E, M, H).
		Students in special populations will receive services necessary for success.	Identification of At-Risk students will be completed and modifications (if needed) will be implemented in a timely manner (E, M, H).
			Use of a full time teacher's aide in the dyslexia program to help At-Risk students meet the standards on TAKS/SDAA (E, M, H).
			TAKS tutorial classes will be scheduled for At-Risk students 30 minutes daily after lunch (E, M, H).
			Credit by exams and independent study courses will be used for individual students if needed. (H).
			Summer school will be held for the at risk students to provide for accelerated instruction for those students who need to meet passing standards on TAKS (E, M).

(continued on next page)

EXHIBIT 1-13 (CONTINUED)
HIISD HIGH SCHOOL CAMPUS IMPROVEMENT PLAN GOALS: STATE COMPENSATORY EDUCATION FUND SOURCE
2005–06

GOAL AREA	LONG RANGE GOAL	PERFORMANCE OBJECTIVE	STRATEGIES
Attendance/ Dropout	Increase attendance through parent and community involvement.	The students' attendance rate will increase from 95 percent to 96 percent, will be maintained or improved annually, and will affect students' performance.	Tutorials, credit by exams, and independent study courses will be implemented for students At risk of dropping out of school (H). High school students will have a four year plan upon entering ninth grade; it will be updated and reviewed each year (H). All paraprofessionals with instructional duties will be "highly qualified" (E, M, H).
Discipline Management/ Violence Prevention	Create a safe environment where all students have an equal opportunity to succeed through an integrated curriculum.	The number of discipline referrals will decrease by 10 percent over first year's number, resulting in more time spent on instruction of TEKS.	Weekly guidance lessons in the classroom need to address: self confidence, motivation, decision making, and responsible behavior (E, M).

*E-Elementary School Campus, M-Middle School Campus, H-High School Campus
SOURCE: HIISD CIPs, 2005-06.

EXHIBIT 1-14
HIISD SCE FUND EXPENDITURES
2004–05

EXPENDITURE ITEM	AMOUNT
Salaries and wages (payroll)	$19,658
Contracted services	$517
Guidance and counseling services (payroll)	$12,073
Pupil transportation (payroll)	$32,263
Homeless supplies and materials	$979
Curriculum technology services training, supplies, travel and registration	$10,388
Library books and media	$1,273
Instruction (payroll)	$35,075
Optional Extended Year Program (payroll)	$511
Optional Extended Year Program pupil transportation (payroll)	$714
Employee stipends	$0
Accelerated Mathematics and Reading salaries (payroll)	$9,764

SOURCE: HIISD Budget Status Summary by Program Intent, 2004-05.

students enrolled are identified as at risk of dropping out of school.

The district has utilized SCE funds to support specialized programs identified in the CIPs. At the elementary and middle schools, the funds have been used to support vocabulary, comprehension, and reading programs. Funds have also been used to support summer school for students at risk of grade retention based on report card grades, and to support weekly classroom guidance lessons addressing self-confidence, motivation, decision-making, and responsible behavior for students with behavioral problems. At the high school, compensatory funds are used to support a tutorial program and online assessment for all core subject areas. Additionally, a paraprofessional supports the dyslexia program to assist at risk students meet TAKS standards in reading. The district also provides independent study programs and credit by exam to help students who have fallen behind graduate with their peers. Teachers refer students who do not perform satisfactorily on competency testing or who do not have passing grades to a 30 minute tutorial program provided to at risk students during the school day.

The elementary, middle school, and high school CIPs stipulate that SCE funded initiatives on the campuses will be evaluated on the basis of state assessments, including data available through the Public Education Information Management System data, Academic Excellence Indicator System (AEIS), and the Performance Based Monitoring Analysis System reports.

HIISD's Policy EHBC (LEGAL) requires an evaluation that includes analysis of the effectiveness of the SCE program as described in the CIPs for reducing disparities. The district does not disaggregate and compare at risk student data to that of other district students, nor does it compile formative data to help determine allocation of funds for subsequent evaluation of program success.

HIISD policy states that program evaluation will occur as follows:

> The district shall evaluate and document the effectiveness of the accelerated instruction in reducing any disparity in performance on state assessment instruments or disparity in the rates of high school completion between students at risk of dropping out of school and all other district students. The evaluation shall include an analysis of the effectiveness of each program described in the campus and district improvement plans for reducing such disparities.

There is no evidence that the district evaluates the effectiveness of the SCE or Title I programs and expenditures in compliance with either board policy or TEC requirements. It does not gather formative data to support its initiatives for providing remedial support to students whose achievement scores fall below standards or who are at risk of dropping out of school. Decisions regarding improvement or enhancement of the regular educational program and costs associated with initiatives are not based on student progress, student deficiencies, and identification of strategies that are effective. The lack of evaluation limits the district's capacity to monitor student success and make adjustments to the SCE and Title I funded programs to ensure they meet the needs of students at risk of school failure. HIISD's at risk program does not ensure an optimum allocation of resources and timely modifications of accelerated, intensive, and compensatory programs.

Many districts utilize the Regional Education Centers (ESCs) to assist in the development of their SCE and Title I program evaluations. ESC consultants provide technical assistance to school districts and information on best practices and programs geared specifically to at risk students.

HIISD should establish an annual evaluation of the SCE and federal Title I programs. District administrators should obtain assistance from Region 5 in developing an evaluation process. The evaluation should include baseline data and monitor student progress throughout the program. The district should use the evaluation to adjust programs as needed to meet student needs.

COUNSELING (REC. 7)

HIISD has not developed or implemented a comprehensive counseling and guidance program to meet the developmental needs of students.

The district's counseling and guidance program is limited because it lacks a staff employee whose primary responsibility is to implement a counseling and guidance program. The school counselor also serves as the curriculum director in addition to coordinating Safe and Drug Free Schools; compensatory education; federal programs, 504 programs; G/T education; staff development; No Child Left Behind (NCLB); standardized testing; summer school; and LPAC and ARD meetings.

The administrative duties limit the counselor's ability to meet the rising demand for developmental counseling. In 2005–06, the counselor did not have time to do personal counseling, classroom guidance, group counseling or classroom visits, but did keep an open door policy for students.

The counselor/curriculum director's many responsibilities do not allow for program balance as recommended in the *Model Comprehensive, Developmental Guidance and Counseling Program for Texas Public Schools, A Guide for Program Development Pre-K–12th Grade, Revised 2004* published by TEA (**Exhibit 1-15**).

The counselor/curriculum director lacks the hours required per week to develop and implement a program such as that recommended by TEA.

The counseling office is well stocked with career guidance materials and college entrance information. The counselor/curriculum director allocates most of the position's counseling hours to assisting students to prepare for college, understanding and applying for college financial assistance and scholarships, and the process needed to take the college entrance exams.

The district has an board approved policy for a comprehensive guidance program stating the following:

"The District's guidance and counseling services shall be designed primarily to provide ongoing assistance to enhance the educational development of all students and shall be included in and monitored through the District and campus planning process.

The services may assist individuals or groups of students in: improving academic achievement, school attendance, and school attitudes; developing self-confidence, healthy interpersonal relationships, and life satisfaction; and obtaining information to assist in choosing a potential career.

EXHIBIT 1-15
RECOMMENDED PROGRAM BALANCE FOR THE COUNSELING AND GUIDANCE PROGRAM

GRADE LEVEL	JOB FUNCTION	PERCENT OF TOTAL TIME SPENT
KINDERGARTEN–GRADE 5	Guidance Curriculum	1.75 lessons per week
	Responsive Services	35 percent
	Individual Planning	8 activity slots per grade
	System Support	42 minutes per day
GRADES 6–8	Guidance Curriculum	1 lesson per week
	Responsive Services	18 percent
	Individual Planning	16 activity slots per grade level per six weeks
	System Support	36 minutes per day
GRADES 9–12	Guidance Curriculum	.6 lessons per week
	Responsive Services	16.8 percent
	Individual Planning	15 activity slots per grade level per six weeks
	Systems support	66 minutes per day

SOURCE: A Model Comprehensive, Developmental Guidance and Counseling Program For Texas Public Schools, A Guide for Program Development Pre-K-12th Grade, Revised, 2004.

Guidance services shall be coordinated with the regular instructional program so that they contribute to a unified education program. Guidance services shall operate with central coordination and shall be a cooperative project of the entire professional staff. Teachers shall use opportunities in the classroom, in extracurricular activities, and in contacts with parents to achieve guidance objectives. Qualified counselors shall supervise the standardized testing program and provide personal, academic, and career guidance to students who need such services."

The HIISD Parent/Student Handbook provides the following description of counseling services:

ACADEMIC COUNSELING

Students are encouraged to talk with the school counselor, teachers and principal in order to learn about the curriculum course offerings, graduating requirements, and differences among graduation requirements for the various transcripts. Students who are interested in attending a college, university, training school, or some other advanced education, should work closely with the district's counselor so that they may take the high school courses that will best prepare them for further work. The counselor can also provide information about entrance examinations required by many colleges and universities, as well as information about financial aid and housing.

PERSONAL COUNSELING

The school counselor is also able to help students with a wide range of personal concerns. The counselor is familiar with community resources and may direct students to other sources of information and assistance. Students who wish to discuss academic or personal concerns with the counselor should come by the office.

Due to the counselor/curriculum director's many responsibilities, the district has been unable to develop and implement a comprehensive guidance program. The counselor must choose a few of the counseling responsibilities to address and not implement the remaining ones. Parents are not provided the opportunity to understand or opportunities to contribute and support the program in order to effectively guide their children's development. Teachers are not sufficiently informed about program goals that would allow the teacher-counselor partnership work to the maximum benefit of students. The director is unable to establish, implement, and manage a program that will benefit all students.

This conflicts with the State Board of Education rules on general responsibilities of school districts (TAC, Title 19 Part II, §75.2) which state, "Every effort should be made to relieve counselors of extraneous tasks so that they may appropriately meet their responsibilities to consult and counsel with students as to their individual educational needs, goals, and aims."

TEA developed a *Model Comprehensive, Developmental Guidance and Counseling Program for Texas Public Schools: A Guide for Program Development Pre-K-12th Grade, Revised 2004*. The purpose of the guide is to ensure that all Texas students may benefit from high-quality comprehensive, developmental school guidance and counseling programs. The guide provides a model for such programs, and a process for tailoring the model to meet the varying needs of students in a wide array of school districts. Both the TEA and the Texas Counseling Association recommend the guide for use by Texas public schools.

In 1999, the TEA completed a five-year study of the effects of education reform on students identified as at risk of school failure. The study revealed discrepancies between the roles of the school counselor as envisioned in state and national models of counseling and guidance programs and the counselor's actual duties as reported in the field. The *Comprehensive Guidance Program for Texas Public Schools* described in the study identifies four components of the comprehensive guidance program, shown in **Exhibit 1-16.**

Guidance curriculum is the foundation of a developmental guidance program, and when presented in a systematic way to all students helps develop basic life skills. The purpose of the responsive services component is to address immediate concerns of students, and provide prevention or intervention in these areas of concern. An individual student planning system is a guide to assist students in monitoring and understanding their own development in planning and goal setting. The system support component does not directly serve students, but describes services and management activities indirectly benefiting students by including program and staff support activities and services to aid in program delivery and support.

EXHIBIT 1-16
COMPONENTS OF A COMPREHENSIVE SCHOOL GUIDANCE PROGRAM AND THE ROLES OF THE COUNSELOR

COMPONENTS	ROLE OF THE COUNSELOR
GUIDANCE CURRICULUM: Provides guidance content in a systematic way to all students.	**GUIDANCE:** Teach the school developmental guidance curriculum. Assist teachers in the teaching of guidance related curriculum.
RESPONSIVE SERVICES: Address immediate concerns of students.	**COUNSELING:** Counsel with student individually about their concerns. Counsel with small groups of students about their concerns. Use accepted theories and techniques appropriate to school counseling. **CONSULTATION:** Consult with parents, teachers, administrators, and other relevant individuals to enhance their work with students. **COORDINATION:** Coordinate with school and community personnel to bring together resources for students. Use an effective referral process to help students and others use special programs and services. **ASSESSMENT:** Use student data other than test and appraisal results appropriately for assessment purposes.
INDIVIDUAL PLANNING: Helps students monitor and understand their own development.	**GUIDANCE:** Guide individuals and groups of students through the development of educational, career, and personal plans. **CONSULTATION:** Consult with parents, teachers, administrators, and other relevant individuals to enhance their work with students. **ASSESSMENT:** Interpret test and other appraisal results appropriately.
SYSTEM SUPPORT: Includes program and staff support activities and services.	**PROGRAM MANAGEMENT:** Plan, implement, and evaluate a comprehensive program of guidance, including counseling services. Supervise activities of clerical, paraprofessional, and volunteer personnel. **ASSESSMENT:** Help plan and evaluate the district/campus group standardized testing program.

SOURCE: Texas Education Agency, Comprehensive Guidance Program for Texas Public Schools, 1999.

HIISD should develop and implement a comprehensive counseling and guidance program. The superintendent should reassign some of the counselor/curriculum director's current responsibilities to other staff, so that the counselor can focus on developing the counseling and guidance program. The principal should assume responsibilities for curriculum director, summer school coordinator, and facilitator for LPAC and ARD meetings. The district should also consider paying instructional staff stipends for coordinating programs such as G/T, Safe and Drug Free Schools, and 504 duties. The counselor would then be left with the counseling duties, SCE, federal programs coordinator, staff development coordinator, NCLB coordinator and testing coordinator. The counselor/ curriculum coordinator should develop the counseling and development program based on an assessment of needs specific to the district, and the site-based management team should review it annually. Assuming two teachers are each paid a stipend of $500 a year plus 10 percent in benefits for assuming some of the counselor's current responsibilities the fiscal impact would be $1,100 annually [($500 x 1.10 in benefits) x 2 positions]. The district should implement this recommendation in January 2007, so the first year cost would be $550.

For background information on Educational Service Delivery, see page 169 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS		2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
CHAPTER 1: EDUCATIONAL SERVICE DELIVERY								
1.	Improve student academic performance by ensuring consistent implementation of the board-adopted curriculum and instructional resources.	$0	$0	$0	$0	$0	$0	$0
2.	Adopt a board policy that provides direction for curriculum management.	$0	$0	$0	$0	$0	$0	$0
3.	Implement measures to adequately meet the instructional needs of students in the special education program and ensure that the program meets state and federal regulations.	$0	$0	$0	$0	$0	$0	$0
4.	Develop a program to serve G/T students at the elementary and middle schools and strengthen the program at the high school.	$0	$0	$0	$0	$0	$0	$0
5.	Ensure the CIPs specify the SCE fund allocations for each program or initiative targeting students at risk of dropping out of school.	$0	$0	$0	$0	$0	$0	$0
6.	Establish an annual evaluation of the SCE and federal Title I programs.	$0	$0	$0	$0	$0	$0	$0
7.	Develop and implement a comprehensive counseling and guidance program.	($550)	($1,100)	($1,100)	($1,100)	($1,100)	($4,950)	$0
	TOTALS-CHAPTER 1	**($550)**	**($1,100)**	**($1,100)**	**($1,100)**	**($1,100)**	**($4,950)**	**$0**

CHAPTER 2

LEADERSHIP, MANAGEMENT, HUMAN RESOURCES, AND COMMUNITY INVOLVEMENT

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

CHAPTER 2. LEADERSHIP, MANAGEMENT, HUMAN RESOURCES, AND COMMUNITY INVOLVEMENT

Organization and management of a district involves cooperation among the board, the superintendent, and the staff. They are responsible for ensuring the district provides excellent teaching, accelerated learning, and effective district operations. Additional critical functions that must be addressed include securing and maintaining a quality workforce, promoting community involvement, and establishing excellent communications.

High Island Independent School District (HIISD) is governed by an elected seven-member Board of Trustees, with board members serving three-year terms. The current board has served an average of 11 years.

The superintendent was hired in July 2004. Prior to this, he served as principal of the HIISD schools for four years. The superintendent also served as the principal of the schools during most of 2005–06. The board allowed the superintendent to assume the principal responsibilities instead of hiring a new principal when the previous one resigned. Due to the difficulty of fulfilling both roles the superintendent recommended the board hire a principal. A new principal was hired in April 2006, and began employment on May 1, 2006. The findings in this chapter are based on conditions observed during the on-site visit in February 2006, but the recommendations reflect the new position.

The superintendent is responsible for the human resources (HR) function, and is the district's primary spokesperson, communicating with community newspapers on a routine basis to provide information regarding the district, newsworthy events, student activities, and accomplishments. The counselor/curriculum director is the primary staff person responsible for parent involvement, and maintaining frequent contact with area businesses regarding student activities and needs.

ACCOMPLISHMENT

- HIISD has been very successful in securing scholarships for its students by obtaining support and donations from peninsula businesses and area colleges/universities.

FINDINGS

- HIISD's Board of Trustees has not provided adequate management oversight of the district, with the district experiencing educational, financial, and operational challenges.
- HIISD's organizational structure and the lack of clearly defined roles and responsibilities do not support effective leadership and management of the district.
- HIISD's Board of Trustees has not fully implemented a long-range strategic planning process assisting in creating conditions within the district to enable students to meet performance standards.
- HIISD lacks a process to monitor board members' training, and several members have not met training requirements set by the Texas Administrative Code (TAC) and board policy.
- The HIISD board conducted a limited search for a superintendent and did not comply with TAC provisions requiring a superintendent to hold a superintendent's certificate.
- HIISD lacks written operating procedures to guide staff in performing key tasks in their assigned areas.
- HIISD's HR functions are not clearly defined and are inefficiently coordinated, with some standard tasks being inadequately performed.
- HIISD has demonstrated minimal planning to ensure that teachers meet the No Child Left Behind (NCLB) requirements regarding "highly qualified" (HQ) status.
- HIISD is not in compliance with the requirement that districts must pay each classroom teacher no less than the minimum monthly salary established by law.
- HIISD lacks a process for guaranteeing that all educators are appropriately certified.
- HIISD's superintendent lacks a consistent system for completing annual performance evaluations for professional staff as required by state statute and district policy.
- HIISD's professional development is not efficiently planned or focused, and does not include follow-up activities to evaluate success of the professional development activities.

- HIISD lacks effective planning and a coordinated effort for developing and implementing a parent involvement and training program to encourage parental participation.
- HIISD does not effectively communicate with parents or the community, undermining the district's efforts to gain the trust and confidence of the community.

RECOMMENDATIONS

- **Recommendation 8: Cooperate with the Texas Education Agency (TEA) regarding the recommendation of the Legislative Budget Board that TEA conduct an investigation of HIISD under the provisions of the Texas Education Code (TEC) §39.074, On-Site Investigations, and §39.075, Special Accreditation Investigations.** HIISD should share information with TEA as they conduct an investigation focusing on the board's lack of adequate oversight of district management in the areas of educational services and financial and operational management.
- **Recommendation 9: Develop an organizational structure that provides oversight, support, and direction for all district programs, and develop job descriptions, clearly communicating the duties and responsibilities of staff.** The superintendent, principal, and key staff members should review the critical leadership functions that must be addressed to achieve district, campus, and student success. Recommendations for assignments based on this review of critical functions should be made to ensure that all areas are addressed and that there is equity in assignments. These recommendations should be brought to the board for discussion and approval. Job descriptions should be written and communicated to all staff. A district organization chart should be developed and communicated to staff to ensure the reporting structure is clearly understood.
- **Recommendation 10: Develop an integrated long-range strategic planning process.** The district should develop a district improvement plan (DIP) as required by TEC 11.251. Once the DIP is developed the district should incorporate all of the required elements of the DIP and the campus improvement plans (CIPs) into the strategic planning process. The district should integrate all of the district's planning documents into a long-term district strategic plan and link it to the budget. The plan should address district needs in both instructional and noninstructional areas, including technology, facilities, transportation, and other operational areas. The Board of Trustees should take the lead in ensuring that this process be implemented by requiring that the superintendent research and select a planning model to present to the board for approval. The board should also request that the superintendent provide a timetable to accomplish the process in a timely fashion in accordance with state law. The board should approve the model; the board, superintendent, and key staff members should select members for the planning committee, including parents, business representatives, and community members. The board and superintendent should identify a facilitator to conduct training and assist with the strategic planning developmental process.
- **Recommendation 11: Develop a process to monitor board training requirements and ensure that all board members fulfill annual training requirements as provided by the TAC.** The board should participate in a process that allows it to assess its training needs and should request that the superintendent identify providers that can provide training consistent with those needs. The board should dedicate the time to conduct a self-evaluation, attend training and participate in team building with the superintendent. The board should be actively involved in training evaluation to ensure that the training provided is effective in assisting with its role in district governance and management oversight. Additionally, the board and superintendent should develop a method for tracking all board continuing education hours by tier.
- **Recommendation 12: Revise the district's hiring practices for superintendents to ensure compliance with the TAC superintendent hiring provisions.** The board should revise its future hiring practices for superintendents to ensure that the successful candidate holds the appropriate certification prior to being hired. The board should also immediately require the superintendent to complete the certification requirements and obtain the Superintendent Certificate or a probationary certificate if necessary.
- **Recommendation 13: Develop comprehensive written operating procedures for conducting all district functions and operations.** The superintendent should meet with key staff in the educational areas, as well

as in the operations and business areas, to identify what informal procedures and forms have been used in these areas. The superintendent should conduct research to identify which districts already have written procedures to serve as models for HIISD. The superintendent and key staff should develop a prioritized listing of regulations needed and a timeline for development of the administrative regulations to present to the board. The regulations should be developed and implemented according to the timeline and updated on a regular basis. The technology coordinator should be involved in the development to ensure that the format is consistent and can ultimately be produced electronically on the district's website.

- **Recommendation 14: Develop written procedures and forms to make sure that all HR functions are performed adequately and appropriately.** The superintendent should meet with the payroll officer and the counselor/curriculum director to identify all functions currently being performed, and which are necessary in order to accomplish the HR functions of the district. This group should identify the procedures, forms, workflow changes, training, and resources needed for the HR functions to be performed in an orderly and comprehensive manner, and the individual(s) responsible for each function, and the oversight needed to ensure accuracy and efficiency. The superintendent should share these procedures with the rest of the staff and implement the procedures as developed.

- **Recommendation 15: Develop and implement a plan to ensure that the district is in compliance with the No Child Left Behind Act regarding "highly qualified" teachers.** The superintendent or designee should research the law and the guidance documents from TEA, as well as the flexibility provisions for rural districts that have been approved by the United States Department of Education (USDE). The status of all HIISD teachers in respect to the requirements should be reexamined. Special attention should be given to requirements for special education teachers. The district should identify the teachers who do not meet HQ requirements for core subjects taught, HIISD should develop a plan to either move the teachers, or provide the necessary training to ensure they are highly qualified in the areas of teaching assigned. The superintendent should contact Regional Education Service Center V (Region 5) or TEA to request assistance in the development of the plan. The plan should be communicated to staff members and followed to ensure that all requirements are met by the timelines specified in the plan.

- **Recommendation 16: Confirm that all educators meeting the TEC definition of classroom teacher are paid no less than the state minimum salary schedule.** The superintendent and key district administrators should review all teaching schedules to determine if personnel hired as permanent substitutes are needed, or if some of their work can be reduced or reassigned. The district should examine its practice of employing individuals as permanent substitutes, and should verify that all individuals who qualify as full-time teachers are paid accordingly. The district should develop procedures to guarantee it follows all hiring and pay of retirees Teacher Retirement System (TRS) rules.

- **Recommendation 17: Develop a process to guarantee that educator certification requirements are met prior to employment and are maintained in accordance with TEC.** The process should carefully detail the person(s) responsible for each aspect of the process and the duties assigned. A flow chart with each step, and the forms or letters required at each step, should also be part of the process. The individual(s) responsible for the process should receive full training in certification, and should receive all of the documents required to determine appropriate certification requirements. The district should contact a certification officer from Region 5 to help identify appropriate training and resources available to the district in this area. Because of the complexity of the certification process, these resources should be used extensively by the district when making difficult determinations. The district should evaluate all current certificates and develop a short-term plan to ensure that all subjects are taught by appropriately certified teachers.

- **Recommendation 18: Establish a process ensuring that performance appraisals for teachers and other professional staff are completed annually.** The superintendent and principal should establish a committee to assist them in developing procedures to address legal and policy mandates regarding performance appraisals for teachers and other professional staff. The superintendent should research and select appropriate instruments for appraising nonteaching professional

personnel. The superintendent and principal should appraise all professional staff annually as per requirements.

- **Recommendation 19: Develop and implement a staff development plan that reflects the needs of the district's students and staff, provides for a variety of focused professional development activities, includes evaluation of the plan's effectiveness, and is tied to the budget.** The principal and the counselor/curriculum director should conduct classroom observations, and should attend appropriate grade-level and subject area meetings to assess teacher and instructional needs. They should meet with individual teachers and groups of teachers to discuss students' performance and work samples. Individual plans for improvement should be developed within the context of an individualized growth plan. Staff should meet together to review data on student performance, and to identify areas of professional growth needed to meet student needs. Legal mandates should also be discussed for inclusion in the staff development plan. Strategies for addressing areas of concern should be brought together in the framework of a formalized plan, identifying the financial resources available for the services. Low-cost strategies such as study groups should be considered. All activities should be connected to school learning goals, and include measurements to determine success.

- **Recommendation 20: Establish a task force to develop a plan to improve parent involvement.** The plan should include strategies for volunteer recruitment and teacher training. The task force should include administrators, teacher representatives from all three schools, educational aides, and district parents. Initially, the task force should focus on identifying relevant research and methodologies proven effective in schools similar to HIISD. The task force should develop recommendations regarding the type of parent programs that should be implemented, and the training and resources needed. Recommendations should be presented to the site-based decision-making (SBDM) committee ensuring that appropriate action is taken to approve and implement the plan.

- **Recommendation 21: Create a communications plan for sharing district information with all district stakeholders.** The superintendent should establish a committee to provide input into the process. The committee should consist of teachers, parents, business, and community representatives. The plan should emphasize the use of various communication strategies and media formats to make information available to both internal and external stakeholders.

DETAILED ACCOMPLISHMENT

SCHOLARSHIPS

HIISD has been very successful in securing scholarships for its students by obtaining support and donations from peninsula businesses and area colleges/universities.

HIISD's counselor/curriculum director has been involved in securing money for student scholarships since 1998. The director works closely with area universities, colleges, and technical schools, as well as with area businesses and agencies, to identify financial resources available for High Island High School students. Peninsula businesses support the seniors and provide them with employment opportunities. Many agencies and groups in the area also provide donations to the district. The district has compiled a list of 24 scholarships, awards, and contributors that is provided to students to assist them in obtaining financial assistance for higher education.

The district has developed excellent relationships and support from various area businesses and groups. The counselor/curriculum director visits with area colleges/universities to identify scholarships that are available for HIISD's students. The director developed a process for disseminating scholarship information to students, and providing support in completing required paperwork. Students have access to a well-organized general information booklet on applying for scholarships, as well as specific information concerning each scholarship available from peninsula businesses and groups. Interested students receive information on scholarship requirements, application instructions and applications, deadlines, amounts, and submission addresses on a variety of scholarships. The booklets are updated annually. Examples of scholarships available include: Bolivar Peninsula Chamber of Commerce Scholarship for $4,000; Crystal Beach Fishing Club Scholarship for $1,000; Fraternal Order of Eagles Scholarship for $500; Lamar and Galveston County Kennel Club Scholarship for $1,000. There are other scholarship opportunities available such as the Lamar Institute of Technology Scholarship and the Lamar University Academic Recruitment Scholarship. Students receive an updated scholarship list each Friday during senior English class. The

counselor encourages them to apply for scholarships, and if interested, she assists them in completing the applications.

The well-developed and supportive process for scholarship acquisitions has resulted in many students from the district receiving scholarships to attend universities as well as technical schools. As a result, many students have been able to attend universities and schools they might not have otherwise been able to attend. In 2005, the graduating seniors from High Island High School were awarded a total of $198,000 in scholarships.

DETAILED FINDINGS

MANAGEMENT OVERSIGHT (REC. 8)

HIISD's Board of Trustees has not provided effective management oversight of the district, with the district experiencing educational, financial, and operational challenges.

The district has a seven-member board with service of members ranging from six to twenty-one years. The newest board member was elected in 2000. **Exhibit 2-1** shows information regarding the board members.

The superintendent is experiencing difficulty ensuring that all state requirements regarding educational program design and implementation are provided by the district. Additionally, noncompliance with numerous planning and HR requirements was identified and extensive financial problems resulting from lack of appropriate oversight and management were also found. Many operational inadequacies were identified in all areas, including transportation, facilities, food service, and technology. Examples of some of the major problems included in the other chapters of this report include:

- Lack of a system ensuring that teachers implement the board-adopted curriculum and complete lesson plans, resulting in an *Academically Unacceptable* elementary school rating.
- A budget process that is not tied to district needs, academic goals, or capital replacement requirements.
- A lack of food service performance measures or staffing standards, resulting in the food service program operating at a deficit.
- Lack of a process to safeguard and maintain district assets, including unaccounted for technology equipment.

Although the present superintendent has not been able to address all of the areas of deficiency identified, many of the problems are not new to this administration. Board members described the district's last ten years as difficult ones due to several factors, including ineffective superintendents, excessive attorney fees from employee settlements, an employee stealing from the district, and enrollment projection overestimations. Several board members said that the situation is much improved as compared to the past. One board member said "now our heads are above water and we are on the right path." Another said the board was pleased because "we finally got a positive fund balance."

Board members are not involved with district planning. One board member admitted to having no clue about the plans that are in effect. Board members also indicated that although they were aware of the problem of the fund balance being so low, they had no plans on how to raise the fund balance.

EXHIBIT 2-1
HIISD BOARD OF TRUSTEES AND YEARS OF SERVICE
2005–06

NAME	OFFICE HELD ON THE BOARD	YEARS ON BOARD	TERM EXPIRES	BOARD MEMBERS' PROFESSION	PLACE OF BUSINESS
Benny Barrow	President	21	2009	District Manager	Key Entergy
Roger George	Vice President	6	2009	Project Manager	Exxon Mobil
Kathy Myers	Secretary	11	2008	Day Care Provider	Local
Jake Angelo	Member	12	2007	Retired Technology Manager	University of Texas Medical Branch (UTMB)
Darrell Dailey	Member	11	2008	Technology	UTMB
Gary Kent	Member	8	2007	Master Plumber	Kent Plumbing
Linda Wilson	Member	12	2008	Patient Relations	UTMB

SOURCE: HIISD superintendent's office, May 15, 2006.

Concerned with the low fund balance the board cut some board training and have not staffed important positions including the principal vacancy in an effort to reduce costs. The board has begun to question district expenditures. One board member said "we are trying to cut back." A reduction in maintenance supplies is an example of cutting back.

HIISD also has no facilities plan. The board members were not familiar with the existing consultant facilities study, which contained recommendations for facility improvement.

The board is involved with goal-setting, but performs this important function in a limited manner. The superintendent and board generally develop board/superintendent goals in March of every year. The superintendent and the SBDM committee's concerns are presented by the superintendent at the March meeting. The concerns presented are discussed and used to prioritize and develop the goals. Four goals are generally developed, with student performance scores and facilities being key areas of interest. Neither the superintendent nor the board members indicated that district data is used in developing the goals. The following are the 2005–06 goals:

1. Increase attendance through parent and community involvement.
2. Increase the efficiency of all aspects of operations, including staff, teacher, and student performance.
3. Enhance community relations; build morale and Cardinal Pride.
4. Create a safe environment where all students have an equal opportunity through an integrated curriculum.

The superintendent is not required to provide the board with written program evaluations. There is no process for conducting or presenting evaluations to the board. The superintendent analyzes the district programs by reviewing the outcomes, making changes by switching teachers and tweaking programs. One board member said although the board members do question the superintendent regarding programs and operations, they do not receive evaluation reports.

The board evaluates the superintendent annually, and the superintendent conducts a self-evaluation according to specific goals. Board members individually evaluate the superintendent using an evaluation form. The members discuss the evaluation and tally the scores, and comments are provided to the superintendent. A partial evaluation was done in January 2006, including the superintendent's self-evaluation in the areas of leadership, students, operations, board, and community relations. The following are examples of accomplishments listed on the self evaluation form:

LEADERSHIP:

- weekly meetings with the athletic director, counselor, and principal;
- daily meetings with maintenance; and
- attend Mid-winter conference.

STUDENTS:

- District rating is *Acceptable*, however the elementary rating of *Academically Unacceptable* must change.
- We allow the teachers to attend workshops and staff development.

OPERATIONS:

- We cut the budget by 10 percent due to a decrease in enrollment and the new school opening.
- We will continue to add to our fund balance.

A "Superintendent Summary Report" including the individual and summary ratings by goal area from the board members participating in the evaluation is part of the process. In 2006, five of the seven board members participated. The rating scale ranged from one to five as follows: 1-unsatisfactory; 2-needs strong improvement; 3-needs improvement; 4-proficient, and 5-exceeds expectations. The following shows the board's summary ratings of the superintendent by area:

- leadership - 4.2;
- students - 3.4;
- operations - 4.8; and
- board and community relations - 4.

Three of the five board members expressed some concern with the superintendent's performance. One board member was displeased with the superintendent's performance regarding discipline. Another board member said that the schools had suffered from allowing the superintendent to also function as the principal as he was unable to perform both jobs. Another board member said that the superintendent had been evaluated on personality rather than performance. One teacher was concerned that the board had not asked for staff input concerning the superintendent's performance as part of the evaluation process.

The board's primary source of information about the district is verbal information presented by the superintendent. They depend on the superintendent to keep them informed of ongoing events, projects, and other important matters. Board members obtain specific information from questioning the superintendent, who then explains the details of the situation, including the action taken. Board decisions are generally based on the superintendent's analysis and recommendation of the situation. One board member said that they made a determination on teacher compensation based on salary comparison of HIISD to neighboring districts provided by the superintendent. However, the superintendent said he never conducted a teacher salary comparison.

Board members said overall board behavior is excellent, and all members get along. One member indicated that in the past some members had personal agendas, but the board now acts with the students' best interests in mind. Board meetings have lasted for three to four hours in the past due to frequent disagreements; now board meetings last about an hour. The minutes indicate that most board meetings are less than 45 minutes.

Only 31 percent of parents surveyed agreed or strongly agreed with the statement, "The school board has a good image in the community." Comments received from the community open house revealed that some community members are concerned about the board's effectiveness as a governing body in the areas of hiring, ensuring teacher effectiveness, and development and management of HIISD's budget.

Without adequate oversight from the Board of Trustees, a district cannot operate in an efficient and effective manner. A board unfamiliar with the administration's written plans for accomplishing the board's goals cannot assess the plans' effectiveness and the overall quality of student services. Without knowledge of implementation timelines and the procedures for monitoring the plans' effectiveness, the board cannot ask the questions necessary to hold the superintendent and staff accountable for results. Boards that do not request formal evaluation reports on programs and operations cannot base decisions on accurate data. A board that does not request the superintendent establish appropriate measures and standards for improvement of programs and operations cannot be assured that quality programs and procedures will be implemented. Finally, a board that does not focus the superintendent's evaluation on data demonstrating measurable progress made towards goals will have difficulty assessing actual performance, and cannot assure that the superintendent of schools is an effective manager.

Lack of board oversight has resulted in problems for HIISD in all areas of district operations. Without comprehensive goal-setting and planning, the board has been unable to determine what specific short and long-term results should be accomplished. They have been unable to communicate clear expectations of performance to the superintendent and other district staff. They have not requested the information needed to make decisions from the superintendent, and have not held this position accountable for implementing state-mandated programs, or for improving district operations.

The problems identified in HIISD are significant, systemic, and long-standing. They occur in all areas of the district. Many of them put the district at risk of inconsistencies with federal, state, and local directives. The problems have contributed to the precarious financial situation of the district. All of the issues identified in the findings have negatively affected the conditions for teaching and learning in the district.

TEC §11.201 assigns authority to the superintendent to manage day-to-day district operations. TEC §11.151(b) assigns the board, as a body corporate, the duty of overseeing the management of the district. The Texas Association of School Boards, Inc. (TASB) has developed the TASB Board Effectiveness Audit to assess how well a school board has laid the groundwork to govern for sustained improvement. This resource guide indicates that a board's most basic responsibility is to govern and oversee the management of the district. According to the TASB's audit guide, management oversight ensures the following three activities occur:

- there are clearly defined, desired results in place for the major areas under management;
- the clearly defined, desired results are appropriate; and
- that plans, procedures, programs, or systems are in place, that they are monitored, and that they are changed if necessary.

The document points out that, "Essentially, oversight of management is the process of making sure the manager is doing the job of systematic management."

The district should cooperate with the TEA regarding the recommendation of the Legislative Budget Board that TEA conduct an investigation of HIISD under the provisions of the TEC §39.074, On-site Investigations, and §39.075, Special Accreditation Investigations. HIISD should share

information with TEA as they conduct an investigation focusing on the board's lack of adequate oversight of district management in the areas of educational services and financial and operational management.

DISTRICT LEADERSHIP (REC. 9)

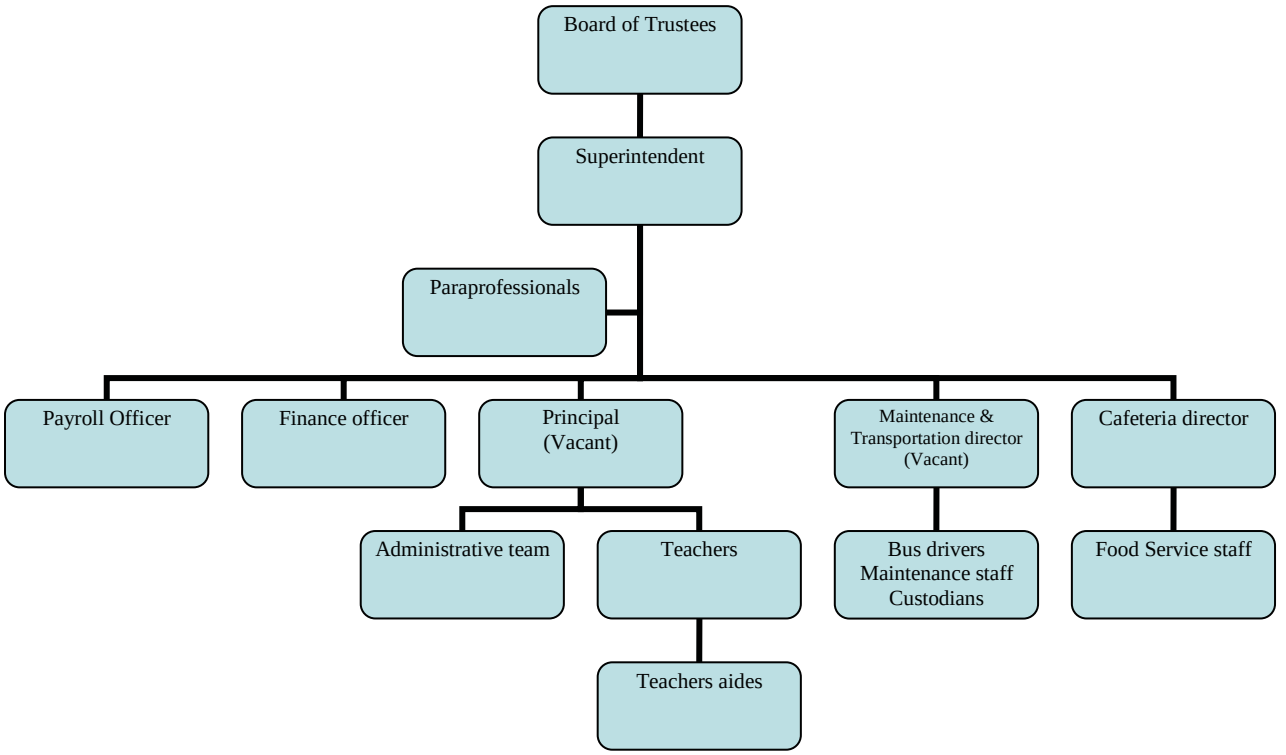
HIISD's organizational structure and the lack of clearly defined roles and responsibilities do not support effective leadership and management of the district.

Exhibit 2-2 shows the organizational structure adapted from a 2004–05 district organization chart showing the vacant positions of principal and Maintenance and Transportation director.

The superintendent was not aware of the existence of an organization chart, and was unclear about the reporting structure in the district. This individual had difficulty explaining who the counselor/curriculum director reported to, and in determining whether the PEIMS coordinator (not listed on the chart) reported to the superintendent or the principal. The actual reporting structure in the district is presented in **Exhibit 2-3**, showing that the superintendent is in charge of all district operations. This reporting structure was developed with information provided by the superintendent and staff during the on-site review.

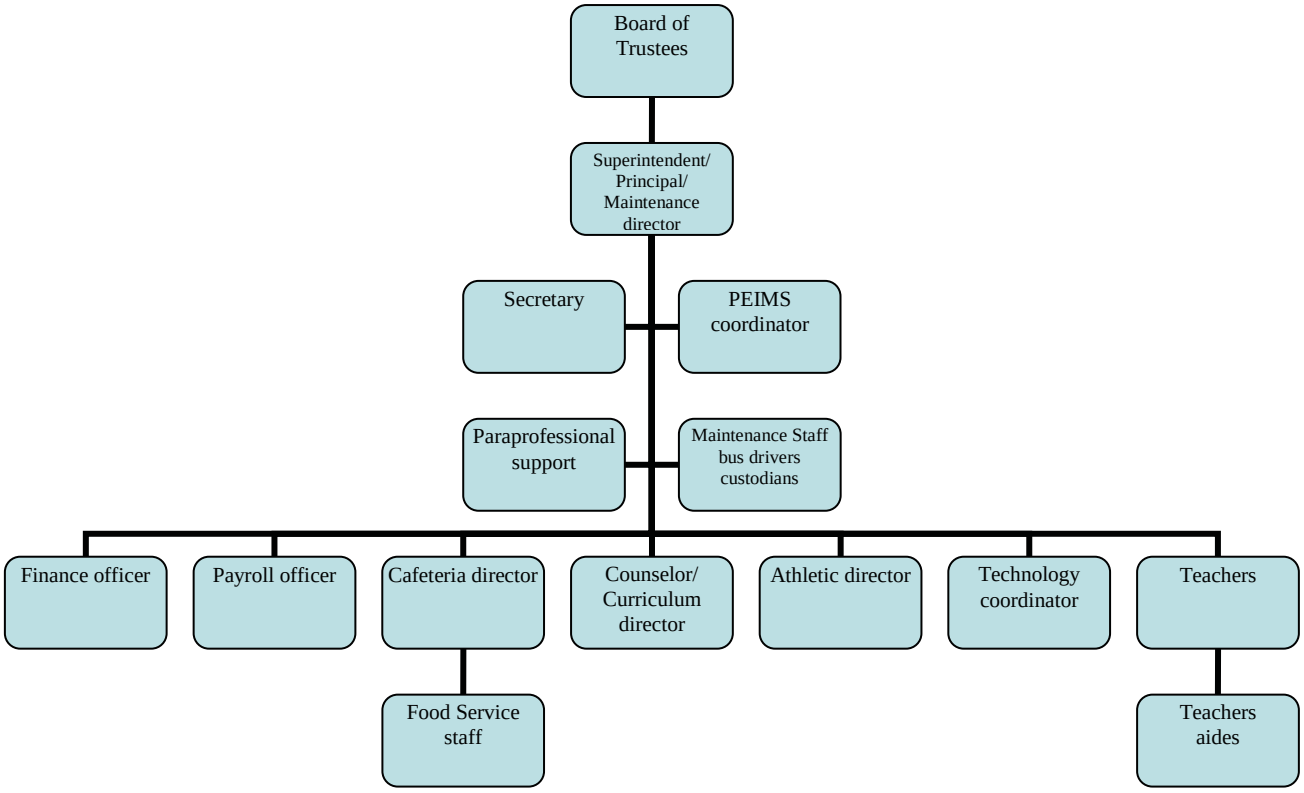
After serving as principal for four years, the superintendent was hired in July 2004, after the previous superintendent resigned. In August 2004, the board approved and hired a new principal. This individual was unable to fulfill the principal responsibilities and was only present for a short period of time during the first semester of 2004–05. The principal resigned at the end of the first semester after a lengthy period of nonattendance. According to the superintendent, the timing of the resignation made it easier to name an interim principal rather than conduct a new search and employ a new principal. The athletic director for the district was named interim principal. He was eventually offered and accepted the position, which he resigned in July 2005. The superintendent said that the lateness of the resignation and the district's need to save money prompted the board to keep the position vacant, and allow the superintendent to take on the responsibilities of the principal.

EXHIBIT 2-2
HIISD ORGANIZATION
2004–05



NOTE: The "Administrative team" consists of the counselor/curriculum director, the athletic director, and the technology coordinator.
SOURCE: HIISD superintendent's office, February 2006.

EXHIBIT 2-3
HIISD CURRENT ORGANIZATION
2005–06



SOURCE: HIISD staff interviews, February 2006.

He was also assigned the director of Maintenance duties. The superintendent's contract, for 2005–06, shows that the superintendent receives $200 per month for performing the maintenance director's duties and $10,000 annually for performing the principal's duties. Although the superintendent is expected to fulfill the responsibilities for all three positions, the district has not developed a job description to define the duties required for the three positions.

The superintendent's office is located in the administration building across the street from the school building, along with the finance officer and the payroll officer. The principal's office is located in the high school building. Although the superintendent works out of both offices, some of the teachers said that he is not visible, and they cannot find him when needed. The superintendent holds faculty meetings monthly, primarily for information sharing. Although no written feedback is provided to the teachers concerning educational or operational matters, the superintendent tries to conduct classroom visits. The superintendent also tries to meet with the maintenance and transportation services staff daily to stay in touch with matters concerning their area of operation.

The superintendent has been unable to accomplish many of the tasks required of the superintendency, as well as most of the tasks required of the principal position. For example, the district planning process was not being conducted as per district policy, and the SBDM committee met only once in 2005–06. In addition, administrative procedures necessary to accomplish many of the district functions were not developed. The tasks normally assigned to the superintendent in the areas of HR administration were not performed as per state requirements, and are addressed later in this chapter. One staff member said that lesson plans, benchmark assessments, and grade books were not checked, and consequently teachers did not feel accountable for performing these tasks, and some do not. One teacher said that she did not get feedback concerning lesson plans, and consequently noticed how much less time and effort she put into the process. Lack of accountability due to the lack of leadership at the high school was a comment frequently heard at the on-site visit. Only 36 percent of the teachers surveyed felt

that the organization structure promoted efficiency and accountability at all levels within the district. Comments on the teacher survey included the following:

- "Roles and responsibilities are not clearly defined or communicated or supported. Communication among staff, teachers, parents, community, and administration is very poor. Processes and procedures are not defined or communicated."
- "Our biggest problem over the years (in my opinion) has been the lack of effective leadership. We sorely need strong instructional leadership and innovation in our leadership positions."

As expressed at the community open house, community members also recognize the district's need for improved organization and management, especially the need to hire a principal.

Additional members of HIISD's administrative team are the counselor/curriculum director, technology coordinator, and athletic director. The counselor/curriculum director is in charge of a multitude of administrative and coordination tasks. This director is responsible for providing counseling for students from kindergarten to twelfth grade, and for providing curriculum assistance to teachers, in addition to coordinating numerous programs as described in the Educational Service Delivery chapter of this report.

Teachers interviewed said that the counselor/curriculum director effectively performs all required duties. One teacher said that this individual is "the reason this place does not fall down." However, they expressed concern about the heavy load required because of her many assignment areas. The counselor/curriculum director said working nights and weekends is required in order to accomplish all the tasks assigned to the various positions. Even with the excessive number of hours worked, the director has not been able to meet all program requirements due to the extensive responsibilities. There is no job description for this critical position.

The technology coordinator teaches one period of language arts, and also serves as the librarian and textbook coordinator. Even though this individual is able to assist students with some library assignments, lack of formal training in library science limits the assistance available to can provide to students.

The final person on the administrative team is the athletic director who serves as the head football and baseball coach, and assists with web mastering and information systems functions. This individual has three class periods a day designated to assist with discipline.

The business functions of the district are primarily conducted by the finance officer and the payroll officer, who are considered paraprofessionals. Both positions have major responsibilities requiring excellent knowledge and skills in finance, budgeting, accounts payable, personnel, and payroll administration. These individuals function with minimal supervision in areas that require frequent decision-making significantly affecting district operations and employees.

HIISD does not have any job descriptions for any positions. The model job descriptions received from the district, developed by the TASB do not match the jobs actually being performed by district staff. Staff members have been given undocumented multiple assignments.

Without a well-defined and understood organizational structure, and clear definition of the roles and responsibilities of key staff within the organization, it is difficult to have effective leadership and management in a district, and to achieve district goals. Districts which do not develop reporting structures and job descriptions based on analysis of critical functions may experience problems accomplishing all the work necessary to be compliant with requirements and to achieve necessary reforms. Although the position of principal remaining vacant was based on financial need, this effort to cut costs in HIISD resulted in a void in leadership.

Many districts staff appropriately to meet their needs, and develop clear and well-communicated reporting structures. They have also developed job descriptions providing staff with information clearly delineating their job duties, resulting in improved job performance efficiency and effectiveness. Additionally, accountability increases when all staff members know the jobs they are expected to perform. Although some boards may consider not adequately filling positions—a cost savings measure in times of financial constraints—other boards conduct a careful analysis of positions and their effect on the district's teaching and learning environment before taking action. Some districts review all the tasks necessary to ensure that they remain on course towards improvement of student learning and make comparisons with other similar districts to determine which positions, if any, they can temporarily, or permanently, do without and still provide required services to students, staff, and the community.

Many districts recognize the importance of the principal as the instructional leader of the school, and the primary person to bring about needed educational changes. Research on educational leadership identified seven common functions of leadership listed in **Exhibit 2-4**.

Districts needing significant reform examine the functions and actions needed to achieve these reform, and make staffing decisions based on research and best practices. Many districts look at available staff to determine what functions and requirements are being performed, and make decisions ensuring these are equitably and logically distributed based on student and staff needs, state requirements, organizational effect, and other locally identified criteria. They also provide departments with appropriate supervision to ensure district operations are provided in an optimal manner according to federal, state, and local requirements.

The Key Work of School Boards, a framework of eight key actions for school boards, states that effective boards of education understand that standards will not be met unless needed resources and support are in place to get the job done. Furthermore, they must align the organization by harnessing the district's resources to the achievement of the system's standards and priorities. To accomplish this, the board must have established staffing priorities in advance of the budget process to ensure the appropriate allocation of the resources of the district.

HIISD should develop an organizational structure that provides oversight, support, and direction for all district programs, and develop job descriptions, clearly communicating the duties and responsibilities of staff. The superintendent, principal, and key staff members should review the critical leadership functions that must be addressed to achieve district, campus, and student success. Recommendations for assignments based on this review of critical functions should be made to ensure that all areas are addressed and there is equity in assignments. These recommendations should be brought to the board for discussion and approval. Job descriptions should be written and communicated to all staff. A district organization chart should be developed and communicated to staff to ensure that the reporting structure is clearly understood.

PLANNING (REC. 10)

HIISD's Board of Trustees has not fully implemented a long-range strategic planning process assisting in creating conditions within the district to enable students to meet performance standards.

The HIISD counselor/curriculum director receives and disaggregates student performance data during the summer, bringing the resulting needs assessment to the yearly in-service meeting in August. The director presents this data to the staff of all three campuses for discussion and development of the CIPs for the current academic year. The counselor/curriculum director collects group input and incorporates it into each campus CIP, which is distributed to the appropriate staff members later in the fall. Parents are not included in the CIP development process. The CIP objectives are not all measurable, and the financial resources needed to implement the plans are not addressed by amount. For example, the objective in the elementary CIP specifying "Students in special populations will receive services necessary for

EXHIBIT 2-4
SEVEN CORE FUNCTIONS OF LEADERSHIP IN SCHOOLS

FUNCTION	ACTION
Instructional Leadership	Ensuring quality of instruction, modeling, teaching practices, supervising curriculum, and ensuring quality of teaching resources.
Cultural Leadership	Tending to the symbolic resources of the school (its traditions, climate and history).
Managerial Leadership	Overseeing the operations of the school (its budget, schedules, facilities, safety and security, and transportation).
HR Leadership	Recruiting, hiring, firing, inducting, and mentoring teachers and administrators; developing leadership capacity and professional development opportunities.
Strategic Leadership	Promoting vision, mission and goals, and developing a means to reach them.
External Development Leadership	Representing the school in the community, developing capital, tending to public relations, recruiting students, buffering and mediating external interests, and advocating for the school's interests.
Micro-Political Leadership	Buffering and mediating internal interests while maximizing resources (financial and human).

SOURCE: Education Leadership, April 2004.

success," is not measurable. The funding-resource-per-objective is listed, but not the amount allocated to meet the objective. According to a teacher interviewed, the CIP strategies are not referred to during the year and the plan is not used. The superintendent stated that the staff refers to the plan, but the plan is not a working document.

The board does not review or approve the CIP's. Approval of the campus plans was not documented in the board minutes. Board members interviewed indicated that they do not approve the CIPs. However, the plans do reflect the goals adopted by the board as board/superintendent goals and as the long-range goals for campus planning efforts.

The district does not have a DIP, required by statute to guide district and campus staff in improving student performance for all student groups in order to attain state standards on the academic excellence indicators. The district has not developed an administrative procedure for the purpose of defining the roles and responsibilities of the superintendent, staff, and committee members, pertaining to planning and decision-making at the district or campus levels. One board member said that about five years ago the district had developed a strategic plan, which was a comprehensive, multi-year planning document, but that it "had gone out the window." This board member also said there is no written plan to improve the budget or scores, "just an expectation that the superintendent does it."

HIISD lacks any campus-level SBDM committees, but does have a district SBDM committee serving to advise the superintendent on various educational, operational, and staffing issues. In the past this committee has advised on such matters as selection of the principal, dress code, employee handbooks, and student handbooks. The committee consists of the staff representatives, as well as parent and community representatives. There was no documentation in the committee meeting notes for 2004–05 or 2005–06 to verify the committees' involvement in the development of the DIP or CIPs. Approval of the plans was on the SBDM committee agenda for one meeting in January 2005.

Lack of planning prevents a district from determining the types of goals, objectives, and strategies that will serve to improve student performance. A board that is unaware of the district's planning process and makes no effort to ensure that there is a process is not meeting its responsibilities of district oversight. A plan that does not have broad-based input from district stakeholders, developed through a process not addressing strategies in relation to district resources, will be difficult to implement. This is further compounded when the governing body has not approved the plan, and is not familiar with the objectives and strategies targeted in the plan. Lack of knowledge concerning objectives and strategies prevents board members from asking the tough questions regarding progress in meeting these objectives and accomplishing the strategies. School boards which are not informed end up making decisions based on conventional wisdom, hunches, and what worked in the past.

Lack of planning has resulted in the HIISD board asking how to get to financial and performance improvement destinations without having a road map to get there. Lack of plan oversight and evaluation has significantly contributed to a lack of accountability. Although there are questions asked by the board regarding district management and operations, there is no formal mechanism providing actual data to confirm progress is being made in achieving the goals and objectives of the district. Although the board does receive test performance data, they are not actively involved in developing the culture and conditions required for excellence in teaching and learning.

TEC §11.251 states "the board of trustees of each independent school district shall ensure that a district improvement plan and improvement plans for each campus are developed, reviewed, and revised annually for the purpose of improving the performance of all students." The code further delineates the requirements for the district and campus improvement plans and charges boards with ensuring requirements are met. The requirements clearly stipulate that the board must develop a policy to ensure that committees involve the professional staff, parents, and community members in establishing and reviewing plans, goals, performance objectives, and major instructional programs. It also requires that the board establish procedures to select the appropriate representatives, to define the roles and responsibilities of the members, and to ensure that meetings are held regularly.

TEC §11.252 further describes the purpose of the DIP is to "guide district and campus staff in the improvement of student performance for all student groups in order to attain state standards in respect to the academic excellence indicators." This section of the code describes all of the required provisions which must be included in the DIP. Board Policies BQ (LEGAL), BQ (LOCAL), BQA (LEGAL), BQA (LOCAL), BQB (LEGAL), and BQB (LOCAL) all address the requirement that the board provide leadership in

the development and approval of the district and campus planning process. Furthermore, Policy BBD (EXHIBIT), which provides the Framework for School Board Development, calls for the board and the superintendent to function together as a leadership team in the creation of the vision, structure, accountability, advocacy, and unity of the school district. Planning is an important part of this process. This framework calls for the board to provide guidance and direction for accomplishing the vision through a variety of board activities and tasks including the following:

1. The board adopts a planning and decision-making process consistent with state statute that uses participation, information, research, and evaluation to help achieve the district's vision.
2. The board ensures that the district's planning and decision-making process enables all segments of the community, parents, and professional staff to contribute meaningfully to achieving the district's vision.
3. The board adopts goals, approves student performance objectives, and establishes policies that provide a well-balanced curriculum resulting in improved student learning.
4. The board ensures progress toward achievement of district goals through a systematic, timely, and comprehensive review of reports prepared by or at the direction of the superintendent.
5. The board reviews the efficiency and effectiveness of district operations and use of resources in supporting the district's vision, mission, and goals.

Many districts have boards that are involved in the planning process and are clearly aware of the progress of the district and schools towards meeting their goals and objectives. Many districts use a comprehensive long-range planning process because it allows them to prioritize their needs for resource allocation, and provide an incremental approach to reaching their objectives. It maintains the district's focus on the needed long-range improvement while providing direction through a series of achievable and measurable objectives and attainable strategies. Given budget deficits in districts, long-range planning helps districts determine how to do more with less through better integration of activities, finances, personnel, and information technology. Generally, districts that use long-range strategic planning are better equipped to improve decision making and to enhance organizational effectiveness.

Districts that have experienced success with strategic planning include Elgin ISD (EISD) and Bastrop ISD. EISD employed the services of a facilitator from TASB to assist them with the strategic planning process. EISD began its process with the board approval of eight strategic goals for the district. The goals were developed through priorities identified by board members, district staff, and responses to a community questionnaire. A set of core values, a mission statement, eight strategic goals, and expected student outcomes were developed.

Strategic planning also involves critical action planning and allocation of resources. Districts prepare budgets based on priorities established in the multi-year district strategic plan. A manageable number of objectives and specific implementation strategies are also critical to the success of the planning process.

HIISD should develop an integrated long-range strategic planning process. The district should develop a DIP as required by TEC §11.251. Once the DIP is developed, the district should incorporate all of the required elements of the DIP and CIPs into the strategic planning process. The district should integrate all of their planning documents into a long-term district strategic plan and link it to the budget. The plan should address district needs in both instructional and noninstructional areas including technology, facilities, transportation, and other operational areas. The Board of Trustees should take the lead in ensuring that this process is implemented by requiring that the superintendent research and select a planning model to present to the board for approval. The board should also request that the superintendent provide a timetable to accomplish the process in accordance with state law. The board should approve the model; the board, superintendent, and key staff members should select members for a planning committee that includes parents, business representatives, and community members. The board and superintendent should identify a facilitator to conduct training and assist with the strategic planning developmental process.

Organizations such as the Texas Association of School Administrators (TASA) and TASB provide districts with assistance in strategic planning implementation. TASB offers Strategic Planning Essentials, an additional option designed to provide major benefits of strategic planning assistance while minimizing expenses to the districts. The total estimated cost of receiving assistance with strategic planning implementation is a one-time cost of $4,283 ($3,500

facilitator fees + $783 for travel expenses). Several sessions are included in the facilitator fee.

BOARD TRAINING (REC. 11)

HIISD lacks a process to monitor board members' training and several members have not met training requirements set by the TAC and board policy.

Board members interviewed indicated that they receive training through conventions and presentations by Region 5 staff. In the past the board has participated in more training sessions than it does presently. The board president indicated that they had not received enough training in finance, and they had become lax in this area in the last five years. It was the opinion of one board member that many times the type of training received was a waste of time.

In spring 2006, board training was scheduled through Region 5 on goal-setting, team building, and legislative update. After the on-site review, some board members received Certificates of Professional Development for training completed in team building, legislative update, and goal-setting. Only four of the seven board members completed the team building session. One board member did not attend any of the training sessions in spring 2006, but completed one hour of Tier Three, Assessed Needs training in March 2005. Board members submit training certificates to the district's payroll officer who forwards the training hours to TASB, which provides reports that can be downloaded for district records. There is no internal system for monitoring training hours.

Exhibit 2-5 lists training hours for each board member from March 2005 through February 2006, by tier as reported in the TASB reports and additional training certificates. According to TASB, the typical time period for meeting continuing education requirements starts on annually on March 1 of one year and ends on February 28 of the following year.

Tier One hours consist of training fulfilling the requirements for TEC orientation and the legislative update required after each legislative session. The orientation requires three hours, but the legislative update does not have a specified number of hours required by code. All of the board members are experienced and are not required to have the orientation training. There was a legislative session in 2005, and six of the members received the legislative update training in February 2006. The last legislative update provided to the board prior to this was in 2001.

Tier Two training requires hours in fulfillment of the team building requirement. Three board members lacked the mandatory hours in this tier for the time period shown in **Exhibit 2-5**. TASB records show that the board did not participate in team building in 2003 and 2004.

Tier Three represents additional continuing education hours that board members are required to attend. Three of the seven board members have fulfilled the hourly requirements of this tier. The TASB *Board Member Continuing Education Report* shows that board members received their continuing education hours by attending sessions at TASB sponsored institutes.

The purpose of the legislative update is to ensure the board is current in education law in order to make necessary changes in board policies and practices. Many of the legislative changes passed in 2005 required that districts modify policies and practices by the beginning of 2005–06. The purpose of team building is to encourage boards to assess their continuing education needs, evaluate their own performance, and set goals. Team building is also essential in

EXHIBIT 2-5
HIISD BOARD MEMBER TRAINING
MARCH 2005 THROUGH FEBRUARY 2006

BOARD MEMBER	TIER ONE TEC UPDATE	TIER TWO TEAM BUILDING	TIER THREE ASSESSED NEEDS	TOTAL HOURS
Jake Angelo	0	0	1	1
Benny Barrow	2	3	1	6
Darrell Dailey	2	0	10.75	12.75
Roger George	2	3	1	6
Gary Kent	2	0	11	13
Kathy Myers	2	3	1	6
Linda Wilson	2	3	10.25	15.25

SOURCE: HIISD payroll officer, May 2006; Texas Association of School Boards Member Continuing Education Report, February 2006.

ensuring that the board and the superintendent work together effectively in addressing district issues; this is especially critical when a superintendent is new to the district.

Boards that do not participate in training on an ongoing basis are unable to provide effective oversight and leadership in today's educational environment. Without training, board members are unable to stay abreast of new educational laws, requirements, and best practices. Limited understanding contributes to lack of appropriate participation in district processes such as budgeting and planning.

Exhibit 2-6 provides an overview of continuing education requirements for school board members.

Many district boards invest the time and effort required to become a team and to learn new policies and practices. These boards also assess their needs based on district needs and the needs of individual board members. They actively seek assistance from appropriate providers, and ensure that all board members attend training enabling them to function as a team and as effective leaders of the district. Boards that fully understand their role, recognize that excellence in the classroom begins with excellence in the boardroom.

HIISD should develop a process to monitor board training requirements and ensure that all board members fulfill annual training requirements as provided by the TAC. The board should participate in a process to assess its training needs and request that the superintendent identify sources that can provide training consistent with those needs. The board should dedicate the time to conduct a self-evaluation, attend training, and participate in team building with the superintendent. The board should be actively involved in training evaluation to ensure that the training provided is effective in assisting with its role in district governance and management oversight. Additionally, the board and superintendent should develop a method for tracking all board continuing education hours by tier.

SUPERINTENDENT'S CERTIFICATE (REC. 12)

The HIISD board conducted a limited search for a superintendent and did not comply with TAC provisions requiring a superintendent to hold a superintendent's certificate.

The superintendent was hired in July 2004 after serving as the principal of the HIISD schools for four years. The board approved the resignation of the previous superintendent on June 21, 2004, and had a called meeting on June 25, 2004, to discuss the superintendent position. At the June 25, 2004 meeting, the board voted 5-0 to name the HIISD principal

EXHIBIT 2-6
TEXAS ADMINISTRATIVE CODE
CONTINUING EDUCATION REQUIREMENTS FOR SCHOOL BOARD MEMBERS

TIER ONE TRAINING REQUIREMENTS		
CATEGORY OF CONTINUING EDUCATION	**FIRST-YEAR BOARD MEMBER**	**EXPERIENCED BOARD MEMBER**
Local District Orientation	Required within 60 days of election or appointment (no specified length of time)	Not required
Orientation to the TEC	3 hours	Not required
Update to the TEC	Incorporated into Orientation to the TEC	After legislative session and of "sufficient length" to address major changes
TIER TWO TRAINING REQUIREMENTS		
CATEGORY OF CONTINUING EDUCATION	**FIRST YEAR BOARD MEMBER**	**EXPERIENCED BOARD MEMBER**
Team-building Session/Assessment of Continuing Education Needs of the Board-Superintendent Team	At least 3 hours	At least 3 hours
TIER THREE TRAINING REQUIREMENTS		
CATEGORY OF CONTINUING EDUCATION	**FIRST YEAR BOARD MEMBER**	**EXPERIENCED BOARD MEMBER**
Additional Continuing Education, based on assessed need and Framework for School Board Development	At least 10 hours	At least 5 hours
TOTAL MINIMUM NUMBER OF HOURS ANNUALLY	**16 HOURS, PLUS LOCAL DISTRICT ORIENTATION**	**8 HOURS, PLUS UPDATE TO THE TEXAS EDUCATION CODE**

SOURCE: Texas Administrative Code, Title 19, Part 2, Chapter 61, Rule 61.1.

the "Lone Finalist" for the superintendent position. The purpose of this action was to meet the requirement under board Policy BJB (LEGAL) that the board must give public notice of the name, or names, of the finalist being considered for superintendent at least 21 days before the meeting where the board takes final action on the employment of the applicant. The board approved the hiring of the principal as superintendent, and offered this individual a three-year contract at the regular board meeting on August 9, 2004.

There was no record in the minutes from the July 2004 called meeting, or the August 2004 regular board meeting, specifying that the superintendent acquire the required certification. However, the employment contract signed by the superintendent, the board president, and board secretary, clearly stipulates that the superintendent shall, at all times, hold and maintain a valid certificate. Section 2.2 of the contract states that "The Superintendent shall at all times during the term of the 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 (SBEC) and any other certificates required by law". A board member interviewed said that the superintendent "fell into the job" because the board felt he was familiar with the district. The same board member further said that the district "didn't even open up the job."

The board renewed the superintendent's contract in 2005 for three years without ensuring that he obtains a permanent or probationary certification, although the contract stipulations were the same as previously stated.

The superintendent does not have a superintendent's certificate. He completed the coursework for the certificate at Lamar University in the summer of 2005 and passed the certification examination on May 22, 2004, but did not apply for the certificate until February 1, 2006, just before the on-site review. As of July 18, 2006, the superintendent received notification from SBEC by email that he had been recommended for the Superintendent (Standard Professional) EC-12 2000 Standards certification. According to the superintendent, he never requested a temporary or probationary superintendent certificate. As part of the certification process, this individual attended four three-day training sessions provided by the TASA for first-time superintendents, and the TASA assigned the superintendent from Nederland ISD as his mentor. The superintendent did not know if the professional development and mentorship would count as he was not certified when involved in those activities.

Without serious consideration of a candidate's qualification for the superintendent position, a board cannot ensure that they have selected the best candidate for the job. A board that does not take the time to conduct a search identifying a number of well-qualified candidates will not be able to assure the community that the selection was based on highly defensible criteria. Furthermore, a board that has not taken the time to ensure that the person selected for the job has the required qualifications faces a strong possibility that the candidate will not perform the job in the most satisfactory manner.

TAC, rule 242.20 states the requirements for the Standard Superintendent Certificate as follows:

(a) The individual shall satisfactorily complete an assessment based on the standards identified in rule 241.15 of this title (relating to Standards Required for the Superintendent Certificate).

(b) The individual shall successfully complete an SBEC-approved superintendent preparation program and be recommended for certification by that program.

(c) The individual shall hold, at a minimum, a master's degree from an accredited institution of higher education.

(d) The holder of the Superintendent Certificate issued under the provisions of this chapter may serve as a superintendent in a Texas public school district.

Furthermore, the TAC rule 242.25 clearly stipulates the requirement for first-time superintendents in Texas as follows:

(a) First-time superintendents (including the first time in the state) shall participate in a one-year mentorship which should include at least 36 clock hours of professional development directly related to the standards identified in rule 242.15 of this title (relating to Standards Required for the Superintendent Certificate).

(b) During the one-year mentorship, the superintendent should have contact with his or her mentor at least once a month. The mentorship program must be completed within the first 18 months of the employment in the superintendency in order to maintain the standard certificate.

Through the passage of these rules the state has made it clear that it expects superintendents to be well prepared for the monumental task required of their positions, and that they continue with their professional growth to maintain and expand their knowledge and skills. These rules also stress the importance of support through a mentorship that is required during the first year, and necessary for successful job performance. The myriad of demands on school superintendents in high-level leadership roles makes it necessary for superintendent candidates to be involved in preparation programs that will provide them with opportunities to acquire and expand their competencies. These competencies are required for superintendents in order to make significant contributions to the districts, students, and communities they serve. The intellectual demands of superintending require that board members make sure that the individual that they hire for the job has gone through an approved program, and has passed a rigorous examination demonstrating job readiness. Many boards ensure that priority is placed on the qualifications of the candidates during the superintendent selection process. Many boards also ensure that candidates are appropriately certified, or are at least eligible for a probationary superintendent certificate.

The HIISD board should revise the district's hiring practices for superintendents to ensure compliance with the TAC superintendent hiring provisions. The board should revise its future hiring practices for superintendents to ensure that the successful candidate holds the appropriate certification prior to being hired. The board should immediately require the superintendent to complete the certification requirements and obtain the superintendent certificate, or a probationary certificate if necessary.

OPERATING PROCEDURES (REC. 13)

HIISD lacks written operating procedures to guide staff in performing key tasks in their assigned areas.

The transportation, maintenance, and food service operations do not have procedure manuals. There are no written procedures for HR administration, records management, and payroll administration. In some cases the staff has developed forms and informal processes to assist in accomplishing their tasks, but do not use them consistently. For records management, a records retention schedule is available, but there are no procedures indicating what employees are in charge, and what should be done to ensure the records are reviewed and filed, or purged, as required.

Several key staff members have been with the district for a number of years; therefore there is significant institutional knowledge guiding district work performance. The district is managed and tasks are accomplished based on established practices.

A lack of written procedures often results in inconsistent interpretation and application of policies and directives. The lack of written procedures often contributes to erroneous practices, which may be contrary to existing legal mandates and policy requirements. Tasks critical to the operation of a district may be missed due to the lack of documented procedure or a detailed workflow process. Lack of procedures and the resulting mistakes, inconsistencies, or failures to act may expose the district to possible grievances and/or litigation. Written administrative procedures also provide district managers with clear information regarding employees responsible for specific tasks, as well as who can authorize actions or approvals. Without these procedures, staff members lose valuable time trying to determine the next step in the process. The lack of written procedures also makes it more difficult to train new employees, and to hold employees accountable for specific job-related actions. Written procedures facilitate the work of employees who may not have formal training in a specific area as they can refer to the procedure while learning the work of the department. Written procedures also facilitate cross-training; employees are able to perform many of the duties of other employees if a documented process exists.

Many districts recognize the importance of developing and implementing a comprehensive set of procedures for conducting district operations. Superintendents are charged with the development of administrative policy procedures to ensure that district operations are efficient, and to reflect the correct policy interpretation and other mandates. Board Policy BP (LEGAL) states that the duties of the superintendent include "Developing or causing to be developed appropriate administrative regulations to implement policies established by the Board." Board Policy BP (LOCAL) further states the following:

- The superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the district. Procedures must be consistent with board policy and law and shall be designated to promote the achievement of district goals and objectives.
- These procedures shall constitute the administrative regulations of the district and shall consist of guides

and forms, as well as other documents defining standard operating procedures and designated "regulations."

- All administrative regulations shall be under the direction of the superintendent; variations from defined procedures shall be with the prior approval of the superintendent. Administrative regulations are subject to board review but shall not be adopted by the board. In case of conflict between the administrative regulations and policy, policy will prevail.

This policy, approved in August 2005, also requires that these regulations be kept up-to-date, and that they are accessible to staff and the public.

The HIISD superintendent should develop comprehensive written operating procedures for conducting all district functions and operations. The superintendent should meet with key staff in the educational areas, as well as in the operations and business areas, to identify what informal procedures and forms have been used. The superintendent should also research districts with written procedures to identify which may serve as models for the district. The superintendent and key staff should develop a prioritized listing of regulations needed and a timeline for development of the administrative regulations to present to the board. The regulations should be developed and implemented according to the timeline and updated on a regular basis. The technology coordinator should be involved in the development to ensure that the format is consistent and can ultimately be produced electronically on the district's website.

COORDINATION OF HUMAN RESOURCES FUNCTIONS (REC. 14)

HIISD's HR functions are not clearly defined and are inefficiently coordinated, with some standard tasks being inadequately performed.

HR functions in HIISD are primarily the responsibility of the superintendent and the payroll officer; the counselor/curriculum director also provides support in several personnel-related areas. In 2005–06, the superintendent was responsible for the following:

- recruiting staff;
- reviewing and screening applications;
- recommending selection of personnel;
- interviewing applicants;
- verifying teacher certification;
- performing reference checks;
- approving leave requests;
- determining staffing levels;
- conducting annual appraisals of staff;
- overseeing performance management of all employees;
- overseeing contract renewal process;
- determining compensation schedules;
- handling employee complaints and grievances;
- developing and maintaining job descriptions; and
- providing direction and supervision for all personnel-related functions.

The payroll officer, under the direction of the superintendent, is responsible for the following:

- processing new hires;
- conducting criminal history checks for all staff;
- calculating salaries according to compensation schedule;
- maintaining personnel records;
- processing employment contracts;
- administering state and local personal and sick leave;
- administering compensatory time;
- completing insurance enrollment and administration;
- administering workers' compensation; and
- processing all employee changes (reassignments, separations, and change in compensation).

The counselor/curriculum director, together with the superintendent, is responsible for the following:

- mentoring new teachers;
- monitoring teacher and educational assistants credentials regarding the No Child Left Behind requirements;
- participating in the interviewing process;
- recruiting with the superintendent; and
- coordinating the staff development process.

The superintendent and the payroll officer are housed in the district's administration building. While the majority of employment applications are in the administration building, some applications were also maintained in the principal's office located in the high school. Personnel files are located in the administration building in fireproof files, maintained in an area where they appear safeguarded from public access. There are no written HR department procedures, and all functions are performed according to oral directives and previously established actions. In many cases, forms to facilitate and document needed actions are not available, or are not used consistently. The payroll officer has established internal procedures to assist with facilitating the work; however, actions needed to assist in conducting HR functions are sometimes not timely or sufficiently completed.

The superintendent is not trained in HR-related areas such as certification and compensation, and has not established procedures ensuring these functions are conducted in an orderly and comprehensive manner. The payroll officer has a long tenure in this position and has established knowledge and skills in this area, but also lacks training in many HR areas, especially those requiring complex personnel decisions.

While division of HR tasks is common in a small district without a formal HR department, it requires extensive oversight and coordination. In HIISD, the lack of written procedures, forms, and directives, as well as limited administrative oversight, has contributed to important HR functions not receiving adequate attention, or not being performed at all. The following are examples of lack of oversight:

- Criminal history checks are sometimes not performed before a substitute is placed in a classroom, due to lack of coordination in the application process.
- Several files do not contain contracts for a particular year due to sketchy and incomplete information being provided and returned by staff.
- Leave for the maintenance staff is approved by the payroll officer instead of the superintendent.
- Certification tracking is not being conducted by anyone in the district.
- Overtime is not being tracked or paid.
- Wage studies are not being conducted to determine appropriate compensation recommendations.
- Teachers have been placed in positions for which they have no certification and are not highly qualified.
- Recruiting trips have been conducted twice a year, but no recruiting plan has been developed.
- Job descriptions have not been developed.

Although many tasks are conducted effectively by the payroll officer, the lack of written directives and forms has contributed to tasks being performed inefficiently. For example, changes in compensation that should be provided in written form are generally transmitted through a telephone call or informal note. This is not sufficient documentation for the type of personnel action required. Tracking employee leave is also time consuming, as staff members have to be reminded repeatedly to submit their absence from duty forms so that the reports can be reconciled. Additionally, staff members have to be reminded to submit other important documents such as contracts. As of February 2006, one teacher had not submitted the signed teacher contract for 2005–06.

Many districts conduct their HR functions in a coordinated and efficient manner. Recruiting and appropriate staffing are recognized as critical functions in the success of any organization, and sufficient attention and time are given to them, ensuring that the best decisions are made based on information gathered. Many districts have written procedures to ensure that these functions are carried out in an orderly and comprehensive manner guaranteeing the personnel selected meets the state and district standards. These districts also recognize that HR functions ensuring that district personnel are appropriately compensated, trained, and evaluated, must be performed effectively and in a timely manner. Individuals responsible for HR functions are clear about their duties. The person ultimately responsible for providing the direction and oversight of the personnel functions makes sure that all staff has the training and resources necessary for successful functioning. That employee, generally the superintendent in small districts, also ensures that all functions are performed according to all HR-related laws and regulations.

The superintendent should work with Region 5 staff to develop written procedures and forms to ensure that all HR functions are performed adequately and appropriately. The superintendent should meet with the payroll officer and the counselor/curriculum director to identify all functions currently being performed, and which are necessary in order to accomplish the HR functions of the district. This group

should identify the procedures, forms, workflow changes, training, and resources needed for the HR functions to be performed in an orderly and comprehensive manner, and the individual(s) responsible for each function and the oversight needed to ensure accuracy and efficiency. The superintendent should share these procedures with the rest of the staff and implement the procedures as developed.

HIGHLY QUALIFIED TEACHER REQUIREMENT (REC. 15)

HIISD has demonstrated minimal planning to ensure that teachers meet the NCLB requirements regarding "highly qualified" status.

Several teachers in the middle school and high school are providing instruction in core academic subject areas but do not meet the NCLB requirements. To be considered "highly-qualified" under NCLB, teachers must hold at least a bachelor degree, be fully certified in Texas, and demonstrate competency in the core academic subject area taught. Core academic subjects as per NCLB definition include the following: English, reading or language arts, mathematics, science, foreign languages, civics, government, economics, arts, history, and geography. According to the superintendent, the small number of teachers available to teach the many courses required for students makes it difficult to assign core subjects to only "highly qualified" teachers. The master schedule for the high school shows that one teacher who is not certified in any area is teaching world history and government. Another teacher who is certified in physical education and health education is also teaching United States history and world geography. These two teachers, as well as others listed in the master schedule, do not meet the "highly qualified" requirements. HIISD does provide several advanced classes through distance learning that allow students to receive instruction from "highly qualified" instructors at Lamar University.

HIISD lacks a well developed plan to assure that all teachers who teach core academic subjects are "highly qualified" in each subject that they teach. The CIPs for all three schools indicate the following objectives and strategies that might assist the district in meeting the requirement that all teachers in core subjects be "highly qualified":

> Annual Campus Performance Objective: To align all staff development to increase the effectiveness of the instructional process.
>
> > Strategy: Staff development targets areas of need: TAKS reading, writing, mathematics, science, Title III, and technology.
>
> Annual Campus Performance Objective: Students in special populations will receive services necessary for success.
>
> > Strategy: English as a Second Language (ESL) teachers will receive training in second language acquisition.
>
> Annual Campus Performance Objective: The NCLB act will increase enrollment at (name of school) by 10 percent above last year.
>
> > Strategy: High Island (name of school) will employ "highly qualified" teachers.

These objectives are broad and do not specifically address the objective of increasing the number of "highly qualified" teachers. Although the district is aware of the teachers not meeting the requirements, district leadership has not developed or implemented specific plans for experienced teachers to demonstrate competency through professional development which meets the standard for continuing professional education (CPE) credit.

Also, according to the counselor/curriculum director, teachers are not required to attend staff development. The district pays testing and certification fees for teachers interested in demonstrating competency by passing appropriate Texas Examinations of Educator Standards (TExES) exams. Several teachers have taken advantage of this district incentive.

Districts lacking a well-developed plan to increase the number of "highly qualified" teachers find it difficult to accomplish this goal in a timely fashion. According to the compliance report submitted by HIISD to the TEA titled *Highly Qualified (HQ) Teachers as of the last day of School Year 2004–2005,* HIISD had a total of 23 teachers. Sixteen teachers in core academic subject areas met the HQ requirements and seven teachers did not; therefore, only 69.6 percent of teachers met the HQ requirements in all subjects taught. **Exhibit 2-7** compares HIISD to its peer districts, the region, and the state, showing that HIISD has the lowest percentage of HQ teachers of all comparison groups.

This chart shows that three of the four peer districts have developed methods to ensure that 100 percent of their teachers were HQ in the core areas that they teach, even though their teacher numbers were similar to or lower than those in HIISD.

EXHIBIT 2-7
PERCENTAGE OF HIGHLY QUALIFIED TEACHER COMPARISONS
HIISD, PEER DISTRICTS, REGION, AND STATE
2004–05

DISTRICT	TOTAL # TEACHERS	PERCENTAGE HQ* TEACHERS
Chester ISD	14	100%
Silverton ISD	17	100%
Vega ISD	28	100%
Whitharral ISD	17	70.6%
HIGH ISLAND ISD	**23**	**69.6%**
REGION 5	**4,802**	**95.48%**
STATE	**250,900**	**96.98%**

* Highly Qualified
SOURCE: Texas Education Agency, Compliance Report: Highly Qualified Teachers as of the Last Day of the School Year 2004-05.

In 2005–06, TEA's Division of NCLB Coordination conducted a compliance review of HIISD and calculated the results of specific Initial Compliance Review indicators, which were then used to determine required stages of intervention. Results of the review indicated that HIISD did not meet the standard for compliance item number 15, which states "Did the Local Education Agency (LEA) meet or exceed the state's target (90 percent) for the number of teachers participating in high quality professional development in 2004–2005?" Only 60 percent of the teachers participated in high quality professional development according to the compliance review document. HIISD also did not meet the standard on item number 17, which states "Did the LEA expend less than the required 25 percent of Title II, Part D current entitlement for professional development without an approved waiver?" The district had expended zero percent of funds for professional development and had not applied for a waiver. The stage of intervention determined for the district was a 1A, and a CIP was developed stating that the district would meet the objectives in the two targeted areas for 2005–06.

The NCLB Act of 2001 requires that each LEA receiving assistance under Title I, Part A "shall develop a plan to ensure that all teachers teaching within the school district served by the local education agency are highly qualified not later than the end of the 2005–06 school year." These requirements are essential to ensuring that all teachers of core academic subjects have the content knowledge and teaching skills needed to enable all students to succeed. A document published by the TEA's Division of NCLB Coordination, titled *Guidance for the Implementation of NCLB Highly Qualified Requirement,* provides the following information for districts:

> Each LEA and Campus must have a recruitment and retention plan that describes strategies to:
>
> - increase percentage of highly qualified teachers on each campus to meet 100 percent by the end of 2005–06, or later if applicable exception;
> - ensure low-income students and minority students are not taught at higher rates than other student groups by teachers who are not HQ;
> - attract and retain highly qualified teachers; and
> - assist teachers not currently highly qualified to meet the highly qualified requirements in a timely manner.

The document further notes the following: "the plan for teacher quality, including the recruitment and retention strategies, may be a separate plan or may be included in existing district and campus improvement plans. If incorporated into existing plans, the LEA must ensure that the strategies and activities are easily identifiable."

The document clearly affirms that middle and high school teachers in small rural schools are required to be highly qualified in every core academic subject they teach. Rural districts are encouraged to examine how resources provided through Title II, Part A and other sources can be used to expand professional development opportunities to ensure that teachers not yet highly qualified in subjects they teach "(a) receive high-quality, content specific professional development, and (b) meet the State's HOUSE standard for each subject they teach or pass rigorous subject-specific tests." (HOUSE standard allows an existing experienced teacher holding at least a bachelor's degree to demonstrate competency by meeting the requirements established under the High, Objective, and Uniform Standard of Evaluation) Additionally, eligible rural districts have been granted flexibility from the USDE in meeting the requirements by 2005–2006. This allows for teachers in eligible, rural districts who are highly qualified in at least one subject area to have three years (until the end of 2006–07, for those hired in 2003–04, or three years from the date of hire for teachers hired after 2003–04) to become highly qualified in the additional core subject areas they teach. Although HIISD is an eligible rural district according to the list of *LEAs Eligible for Rural School Highly Qualified Teacher Flexibility* provided by

TEA, the counselor/curriculum director was not aware of the eligibility provisions.

Some districts employ the services of experts who can assist them in formulating plans to meet the federal, state, and local requirements for NCLB. They identify resources as part of the planning process and make sure that all monies available are used to bring about needed results. These districts communicate their plans to the people affected, and get their input to increase staff buy-in, and implement the plans to obtain the outcomes needed to meet the requirements of the law, as well as to improve the quality of services to students.

The superintendent should develop and implement a plan to ensure that the district is in compliance with the NCLB Act regarding "Highly Qualified" teachers. The superintendent or designee should research the law and the guidance documents from TEA, as well as the flexibility provisions for rural districts which have been approved by the USDE. The status of all HIISD teachers in respect to the requirements should be reexamined. Special attention should be given to requirements for special education teachers. The district should identify the teachers who do not meet HQ requirements for core subjects taught, and develop a plan to either move the teachers or make them highly qualified. The superintendent should contact Region 5 or TEA to request assistance in the development of the plan. The plan should be communicated to staff members and followed to ensure that all requirements are met by the timelines specified in the plan.

MINIMUM SALARY SCHEDULE (REC. 16)

HIISD is not in compliance with the requirement that districts must pay each classroom teacher no less than the minimum monthly salary established by law. The district pays three teachers less than the minimum monthly salary required by law; two of them are employed as permanent substitutes.

In 2005–06, HIISD employed 21 teachers. The district pays most of the teachers according to the minimum monthly salary requirement, but to save money, two teachers are paid as permanent substitutes. For the most part, the district has complied with the recent TEA's Commissioner of Education decision that teachers' minimum salaries be increased by approximately 2.4 percent at each step. The minimum salary for HIISD's beginning teacher is $2,482 per month, or $24,820 per year based on the standard ten-month contract. The daily rate for this annualized amount for 187 days is $132.73.

One of the permanent substitute teachers has a contract to receive $50 per day for working three hours and fifteen minutes each day. This probationary contract was signed by the teacher on July 28, 2005, and by the board president on August 8, 2005. After an educational aide resigned in January 2006, the teacher began working as a full-time permanent substitute. The teacher's file contains a letter from an alternative certification program acknowledging receipt of the completed Statement of Eligibility for Internship, indicating the teacher had been one of the program's candidates when hired. The statement of eligibility signed by the superintendent shows the beginning date of the teaching contract as August 5, 2005. An adjustment was made to the teacher's pay in January 2006 to reflect the full-time status and adjust her pay to $100 per day. The superintendent confirmed that this teacher was working as an art teacher but was still considered to be a permanent substitute. According to the superintendent, this teacher was hired as a permanent substitute to save the district money in salary and benefits. This individual is the teacher of record, delivers instruction, evaluates student performance, maintains a grade book, and students receive elective credit for her class. After the on-site visit, the review team was informed that this teacher is no longer considered a permanent substitute and is now identified as a full-time employee. However, this individual is paid $100 per day, less than the minimum salary requirement.

HIISD also employs two retired teachers. These teachers are not under contract and sign in daily on a teacher "sign-in" sheet kept in the high school administrative office. One of the teachers retired in 2003, and has taught in the district for several years. In addition to teaching six periods of English and reading at the middle school, she drives a bus route for the district. Her daily rate of pay is $218, plus the compensation for driving the school bus. This employee is reported to TEA as a full-time teacher under the bus driving exception rule. Retirees who retired before September 1, 2005 may work on a full-time basis under the bus driver exception, provided the retiree is a normal-age retiree, and drives at least one route per day. This individual who is working as a full-time teacher is entitled to compensation under the minimum salary schedule for teachers with over 20 years of experience. This amount is $41,770 for a ten-month contract, or $223.37 per day for 187 days.

The second individual retired in February 2001, and has been a permanent substitute for the district for several years. This teacher was on payroll as a half-time substitute, earning $100

per half day until August 2005. Since August, the teacher has continued to work as a half-time permanent substitute, but also began to earn additional money for tasks performed on an hourly basis of $20 per hour. This permanent substitute teaches three periods of advanced mathematics at the high school in the afternoon, and is paid on an hourly basis for approximately three hours work in the mornings as a mentor. The teacher mentors a high school mathematics teacher and is paid for the days worked, but earns more per half day than a substitute does for a full day. As a half-time teacher this individual is entitled to compensation under the minimum salary schedule for teachers with over 20 years of experience at one half of $41,770 for a ten month contract, or $111.68 per day for 187 days.

The district employs several individuals as permanent substitutes to teach students on a regular basis. The district documents these teachers as "permanent substitutes," and is not paying the required teacher's salary or benefits. By continuing to document these teachers as substitutes, HIISD is circumventing the state minimum pay regulation. One of the two retirees is teaching more than four hours per day at the middle school. Both of the retirees are earning less than the minimum salary schedule, but more than the regular substitute pay provided by the district for other substitutes.

TEC Chapter 153 details the *Commissioner's Rules on Creditable Years of Service*. TEC §153.1022 includes the definition of a classroom teacher who is entitled to a minimum salary under TEC §21.402 as the following: "A classroom teacher is an educator who teaches an average of at least four hours per day in an academic or career and technology instructional setting pursuant to TEC §5.001, focusing on the delivery of the Texas essential knowledge and skills and holds the relevant certificate issued by the State Board for Educator Certification under the provisions of TEC Chapter 21, Subchapter B. TEC §21.402 states that "a school district must pay each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time counselor certified under Subchapter B or full-time school nurse not less than the minimum monthly salary, based on the employee's level of experience…"

In December 2005, the Teacher Retirement System published the TRS Benefit Handbook stating that "For TRS purposes, a substitute is a person who serves on a temporary basis in the place of a current employee. The retiree's pay cannot be more than the daily rate of substitute pay set by the employer." The handbook presents in great detail the rules regarding employment after retirement, and the conditions under which retirees can work for employers such as school districts.

Many districts ensure their compensation plans reflect the state law provisions. They stay current regarding the rules regarding compensation and employment of staff members. Districts also ensure staff is aware of the requirements and abide by the regulations in all aspects of district operations.

HIISD should confirm that all educators meeting the TEC definition of classroom teacher are paid no less than the state minimum salary schedule. The superintendent and key district administrators should review all teaching schedules to determine if personnel hired as permanent substitutes are needed, or if some of their work can be reduced or reassigned. The district should examine its practice of employing individuals as permanent substitutes, and should verify that all individuals qualifying as full-time teachers are paid accordingly. The district should develop procedures to guarantee it follows all hiring and pay of retirees TRS rules.

The fiscal impact for paying the three teachers the minimum salary required, including 37 percent benefits, would cost the district $12,753 per year and $63,765 ($12,753 x 5 years) for 5-years. The difference between each of the three teacher's current daily rate and the minimum salary required multiplied by 187 days, plus benefits, is as follows:

Teacher 1 – ($132.73 minimum salary required - $100 current daily rate) x 187 days = $6,120.51;

Teacher 2 – ($223.37 minimum salary required - $218 current daily rate) x 187 days = $1,004.19;

Teacher 3 – ($111.68 minimum salary required - $100 current daily rate) x 187 days = $2,184.16;

Benefits – (6120.51 + 1004.19 + 2184.16) x 37 percent benefits = $3,444; and

Total – $9,309 total salary + $3,444 benefits = $12,753.

CERTIFICATION (REC. 17)

HIISD lacks a process for guaranteeing that all educators are appropriately certified.

In 2005–06, the superintendent was responsible for hiring new teachers and ensuring that they were certified. Usually a committee chaired by the principal recommends a candidate to the superintendent, and the superintendent brings the recommendation to the board for approval. Board members confirmed that the superintendent submits candidate

recommendations for approval. One board member said he wished they had more information prior to the approval process, and another said that rapid approval based on an emergency hiring need always seemed to be required.

Once applications are reviewed and interviews are conducted, the superintendent is responsible for verifying that the teacher is appropriately certified. He uses SBEC's online system to verify and print a copy of certifications, and the printed certification is maintained as part of the file. The file is forwarded to the payroll officer for processing. The superintendent said it was his understanding that all teachers were currently certified. The superintendent has never received training in certification requirements. No one in the district is currently responsible for tracking employees' progress toward attaining appropriate certifications.

There are several teachers in HIISD not appropriately certified. In 2002, one teacher was hired without a certificate, and still does not hold a valid teaching certificate although SBEC has issued a letter of eligibility. A letter of eligibility is issued when a candidate has only to complete the fingerprinting requirement. A copy of the letter was not maintained in this teacher's personnel file. The payroll officer located the letter after searching the SBEC online system to confirm that issuance of a certificate had not been missed. This teacher's contract has been consistently renewed without full completion of certification. The teacher attributed the delay in certification to SBEC losing the fingerprinting packet.

Another teacher was employed without certification in 2004, and was still teaching in HIISD at the time of the on-site visit. The administration and board are aware that this individual had voluntarily surrendered his certificate in lieu of disciplinary proceedings in another district.

Several teachers in HIISD are teaching in areas outside of their area of certification. Some teachers interviewed were aware of, and concerned about, the lack of certification of some district teachers. They also indicated that parents were also aware and concerned about this issue.

Although the rest of the teachers are certified, many are teaching in areas outside of their certification. Though all of the elementary school teachers are appropriately certified, two of the four middle school teachers are not certified in all of their scheduled subjects. Only three of the ten high school teachers are certified to teach all of their scheduled subject areas. HIISD has not sent parents the appropriate notification that an inappropriately certified, or uncertified, teacher has been assigned to the classroom for more than 30 consecutive instructional days as defined in TEC §21.057.

The HIISD counselor/curriculum director has appropriate certification as a counselor and has renewed her certification as required by SBEC. The individual currently employed as the technology coordinator is only certified in English (grades 6–12).

TEC §21.003 states "a person may not be employed as a teacher, teacher intern or teacher trainee, librarian, educational aide, administrator, or counselor by a school district unless the person holds an appropriate certificate or permit issued as provided by Subchapter B." Subchapter B, entitled "Certification of Educators," clarifies the role of the State Board of Educator Certification, established to regulate and oversee all aspects of the preparation, certification, continuing education, and standards of conduct of educators in the public schools. According to the SBEC document titled *Agency Strategic Plan* for 2005–2009, the first priority of the board is "to certify qualified educators based on standards which are measured by rigorous examinations of content knowledge and pedagogy" based on TEC §21.21.031(b) requirements that SBEC "shall ensure that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve the performance of the diverse student population of this state…." SBEC has developed standards for Texas educators specifying what beginning educators should know and be able to do. These standards form the basis for certification examinations, TExES. Content-area standards ensure that the knowledge educators must have is grounded in the Texas Essential of Knowledge and Skills, commonly known as TEKS, which is the required curriculum for public school students.

It is critical that educators be well prepared in the area that they are teaching. High certification standards measured by rigorous and reliable assessments are essential to guarantee the highest level of educator preparation to achieve student excellence. In order to achieve student excellence, districts must ensure that educators meet the requirements as specified in the law. Many districts make sure that one person on staff is highly knowledgeable about certification requirements, and is assigned the responsibility of ensuring that all teachers hired are certified, or eligible for a permit for that assignment. The employee with this responsibility helps guide new hires through the process as needed, and informs them of key services provided by SBEC which can assist them in attaining the needed credentials. SBEC offers the following key services to certificate and permit applicants:

- online certificate and permit application process;
- review of educational credentials and transcripts;
- verification of Texas credentials;
- online access to the Official Record of Educator Certificates (i.e. virtual certificates);
- technical assistance and information via telephone, email and website;
- technical support to users on the SBEC Online system;
- CPE and certificate renewals;
- board rule and policy dissemination;
- test comparability study information;
- NCLB Highly-Qualified regulations and information; and
- data and research.

SBEC offers already certified educators most of the key services listed above. In addition, SBEC offers district HR officer's key services that include but are not limited to, the following:

- personnel certification and assignment information;
- review of requests for hardship emergency permits;
- online access to the Official Record of Educator Certificates and additional educator information;
- board rule and board policy information;
- mentoring information and support;
- temporary teacher certificate approval and support;
- technical support to users of the SBEC Online system; and
- technical assistance and information via telephone, email and website.

Many districts utilize SBEC and the educational service centers to ensure that they follow all the required steps to obtain and document certifications. School districts check prior to interview, if possible, or at the interview at the latest, that the applicant's certification status is ascertained and documented. If the applicant lacks the appropriate certification, or is not eligible to obtain the appropriate certification or permit, that person is not hired. Applicants who are recommended are clearly informed of their responsibilities regarding the obtaining and filing for their certificate, and the consequences for not following through with the requirements. Some districts assign one person to track the certification process of each employee who is not fully certified, and follow up through the nonrenewal process if necessary.

Districts that maintain compliance with certification laws must also review the certification status of individuals prior to any schedule change of requiring the educator to teach a different subject. An assignment change should not be made if the teacher cannot get the additional certification, or does not qualify for a permit.

HIISD should develop a process to guarantee that educator certification requirements are met prior to employment and are maintained in accordance with TEC. The process should carefully detail the person(s) responsible for each aspect of the process and the duties assigned. A flow chart with each step, and the forms or letters required at each step, should also be part of the process. The individual(s) responsible for the process should receive full training in certification, and should receive all of the documents required to determine appropriate certification requirements. The district should contact a certification officer from Region 5 to help identify appropriate training and resources available to the district in this area. Because of the complexity of the certification process, these resources should be used extensively by the district when making difficult determinations. The district should evaluate all current certificates and develop a short-term plan to ensure that all subjects are taught by appropriately certified teachers.

STAFF EVALUATIONS (REC. 18)

HIISD's superintendent lacks a consistent system for completing annual performance evaluations for professional staff as required by state statute and district policy.

District policy states that the district's teachers are evaluated annually in accordance with the Professional Development and Appraisal System (PDAS). The last teacher appraisals on record were completed in 2002–03 by the present superintendent while serving as principal of schools. The superintendent confirmed that evaluations were not completed during 2003–04 or 2004–05, and said he plans to conduct teacher evaluations in spring 2006. The superintendent was not aware that the district still had to perform annual evaluations on all district teachers, as there had been a change in the requirement several years ago. Also,

he did not remember if HIISD had changed its policy or procedures as a result of the change. The district policy has not been amended to reflect the changes of TEC §21.352 which allows districts to appraise some teachers less frequently if they meet certain criteria. HIISD still requires annual appraisal of all teachers using the PDAS. The HIISD Employee Handbook also states:

> Evaluation of an employee's job performance should be a continual process that focuses on improvement. Performance evaluation is based on an employee's assigned duties and other job related criteria. All employees will participate in the evaluation process with their assigned supervisor at least annually…All employees will receive a copy of their written evaluation, have a performance conference with their supervisor, and get the opportunity to respond to the evaluation.

The counselor/curriculum director had not been evaluated since 1993–94. This clearly demonstrates that HIISD has not been following the appraisal requirements for professional personnel for many years. The superintendent was not aware that district funds should not be used to pay an administrator who had not been evaluated in the preceding fifteen months.

Without regularly scheduled staff appraisals, a district cannot measure employee competencies and cannot foster professional development and growth. An administrator that does not evaluate professional staff on a regular basis cannot give useful feedback on classroom needs, and cannot use that opportunity to encourage new and more effective teaching techniques in classrooms. The mandated system for evaluation, requiring that a variety of sources of information and data be used in assessing the teacher's overall performance, encourages districts to identify and assess the various types of data that represent excellence in teaching. Without such a system in place, the district is losing an opportunity to create the type of environment in which there is an expectation of excellence. The lack of an evaluation system including required formal observation, as well as data from walk-throughs, and review of documents such as lesson plans, tests, and student artifacts, may discourage teachers from producing their finest work knowing that there is no assessment process. Lack of assessment also limits the specificity required to develop growth plans based on demonstrated weaknesses, and serving to improve performance or provide evidence of failure to improve. Without such evidence, it is difficult to make decisions regarding contract recommendations or possible terminations. Districts lacking the documentation on which to base their decisions are frequently unable to improve the learning environment by improving the quality of the teachers providing the instruction.

Board Policy BJA (LOCAL) states that the superintendent shall "Oversee a performance appraisal process for instructional staff that reinforces standards of excellence and assesses deficiencies." Board Policy DNA (LOCAL) states that "the annual appraisal of the district teachers shall be in accordance with the Professional Development and Appraisal System. Furthermore, board Policy DNB (LEGAL) states that the employment policies adopted by the board "must require a written evaluation at annual or more frequent intervals of each superintendent, principal, supervisor, counselor, or other full-time, certified professional employee and nurse." This policy is pursuant to TEC §21.203(a). This policy further states that district funds may not be used to pay an administrator who has not been appraised in the preceding 15 months. Most districts are aware of the statutes and policies that require performance appraisals, and maintain a schedule of observations and other required document submission deadlines to ensure that all phases of the performance appraisal system are conducted as required. These districts adhere to all deadlines as per mandates and ensure that all procedures are followed.

The district superintendent and principal should establish a process ensuring that performance appraisals for teachers and other professional staff are completed annually. The superintendent and the principal should establish a committee to assist them in developing procedures to address legal and policy mandates regarding performance appraisals for teachers and other professional staff. The superintendent should research and select appropriate instruments for appraising nonteaching professional personnel. The superintendent and principal should appraise all professional staff annually as per requirements.

STAFF DEVELOPMENT (REC. 19)

HIISD's professional development is not efficiently planned or focused, and does not include follow-up activities to evaluate success of the professional development activities.

HIISD offers teachers and other professional staff opportunities to attend professional development sessions available through Region 5, and other workshops of interest to them. The counselor/curriculum director notifies teachers of training opportunities on an ongoing basis. The district

documents workshop attendance on sign-in sheets; Region 5 also maintains records of teacher attendance at workshops that are forwarded to the district.

Teachers generally ask to attend staff development with a staff development request form submitted to the counselor/curriculum director. The director obtains the superintendent's approval and completes all of the necessary paperwork for the teacher's attendance, including registration fees, transportation, and lodging if required. Teachers are almost always allowed to attend requested sessions. Records showed that some teachers attended training workshops in areas such as ESL, mathematics, and writing, during 2005–06. One teacher interviewed said that she always got to select and attend what she felt she needed but there was no overall plan. Teachers are not asked to present information from the workshops to other teachers, or to demonstrate that they have applied the learning. The counselor/curriculum director said that some teachers have been allowed to attend repetitive sessions on the same topic, but never changed their behavior or classroom techniques to reflect the information presented.

A focused staff development plan must include a method for evaluating its effectiveness. It is essential for a district to determine if the training improved the performance of either the educators or their students. A plan offering a potpourri of activities through teacher's choice may not provide the support and learning opportunities teachers and staff need to improve instruction, and boost student achievement. Lack of planning and budgeting in the areas of professional development prevents staff from obtaining the best instructional and development tools needed to pursue their own learning and growth. Without aligning resources with instructional goals and staff abilities needed to achieve these goals, it becomes more difficult to allot limited budget resources to cover the necessary professional development activities.

In some districts, schools are places where adults are responsible not only for student education, but for their own education and that of their colleagues. In these districts, school leaders verify that teachers know the important skills or standards that children are expected to achieve, and are equipped with the professional development and resources to do it. When budgeting, these leaders focus on aligning resources with instructional goals. For example, if mathematics is a problem, then developmental activities in mathematics are a core focus of budget allocation. They have processes for tracking and meeting teacher staff development needs. By identifying individual professional development plans, as well as those of the total school, district administrators provide the necessary remediation and have documentation to recommend termination if necessary.

The National Association of Elementary School Principals' (NAESP) publication titled *"Leading Learning Communities-Standards for What Principals Should Know and Be Able to Do"* states that professional development needs should be assessed on a variety of measures, including "observations and evaluations of classroom performance and instructional practices; one-on-one conversations with teachers; or small group discussions with grade-level or subject area teams that focus on student work, test scores, portfolios, performance-based exams or other measures of student learning." The NAESP goes on to state that the success of the professional development activities should be based not only on whether teaching practices change, but also on whether student performance increases.

Many districts base their staff development on a variety of data, analyzing the data to determine priorities and clear focus for their professional development activities. Administrative and instructional staff plan together, and identify a variety of professional development activities in addition to the traditional staff development sessions provided at conferences, institutes, and in-services. Additional professional development opportunities that can be considered are ones which can be planned during the duty day, and can provide learning in context. Activities to be considered are lesson study groups, peer coaching, mentoring, and action research.

The principal together with designated staff should develop and implement a staff development plan that reflects the needs of the district's students and staff, provides for a variety of focused professional development activities, includes evaluation of the plan's effectiveness, and is tied to the budget. The principal and the counselor/curriculum director should conduct classroom observations and attend appropriate grade-level and subject area meetings to assess teachers' and instructional needs. They should meet with individual teachers and groups of teachers to discuss students' performance and work samples. Individual plans for improvement should be developed within the context of an individualized growth plan. Staff should meet together to review data on student performance, and to identify areas of professional growth required to meet student needs. Legal mandates should also be discussed for inclusion into the

annual staff development plan. Strategies for addressing areas of concern should be brought together in the framework of a formalized plan, identifying the financial resources available for the services. Low-cost strategies such as study groups should be considered. All activities should be connected to school learning goals, and include measurements to determine success.

PARENT INVOLVEMENT (REC. 20)

HIISD lacks effective planning and a coordinated effort for developing and implementing a parent involvement and training program to encourage parental participation.

HIISD offers limited opportunities for parent involvement in the schools. The superintendent said that there is little parent involvement, but the district has started to place more emphasis on this area. The district lacks a volunteer program and there is not enough information sent to parents of students to encourage involvement. The district does have a Parent Teacher Organization (PTO), but it is not very effective. Most of the work in the area of parent involvement is done by the counselor/curriculum director. The district held two parent partnership meetings in 2005–06, to meet Title I school-wide requirements. At the parents' Open House in the beginning of 2005–06, district staff prepared information for parents about parent involvement activities and asked them to sign up to participate. Twenty-seven parents signed up, but only four people showed up at the first meeting held on November 29, 2005. The stated purpose of the meeting was to "bridge the gap between parents and school" by identifying what parents want from their children's schools. Nine parents participated in the second parent partnership meeting on January 31, 2006. At this meeting parents expressed concerns about several topics including the following:

- Is "NEST (necessary essential student training) time" (tutorials during school day) really meeting the needs of the students?
- Website should be updated.
- Parents need to know about early release in advance.
- Parents with middle and elementary school students would like progress reports sent home regularly, not just when child is failing.
- Parents of high school students are concerned they are not getting any progress reports.
- Parents of students in grades 3, 4, and 5 reported that graded work is not being sent home.
- Parents of high school students stated that students need information about the grading policy.
- Parents want students to be taught study/note taking skills.
- Parents want failing grades or tests sent home for signatures.
- Parents are concerned that high school students' deadlines for turning in work are extended or ignored, but students who turn in work on time are overlooked.
- Parents want more accountability stressed.
- Parents want more time on academics.
- Parents are concerned that superintendent/principal has not observed teachers classroom performance.
- Parents want better communication tools between home and school.

According to one staff member, "parent involvement is not important to leadership so it doesn't happen." This staff member said that there is only one volunteer in the district, although in the past there have been more. Again the comment was that since parent involvement was not considered important, no one was in charge of volunteers. Parents are asked to volunteer for field trips and parties, but are not encouraged to be in the classrooms. Teachers interviewed stated that parent involvement is minimal, and that they make little effort to encourage parent involvement.

Planning efforts to involve parents in any meaningful way in the education of their children or to work with parents to improve parental skills and knowledge have been minimal. The following are examples of district goals and strategies in this area:

1. Increase attendance through parent and community involvement.
    - The students' attendance rate will increase from 96 percent to 97 percent and will be maintained or improved annually.
        i. Implement and enforce student attendance policy in student handbook.

ii. Make parents aware of importance of attendance at all PTO meetings.

iii. Send a letter to parents about attendance and a call home when a student is absent.

iv. Provide incentives for perfect attendance: pizza party, coupons for ice cream, burgers, fries, etc. and field trips.

2. Enhance community relations; build morale and Cardinal Pride

- To develop an active PTO

i. Have a Fall Open House.

ii. PTO sends newsletters and announcements in the fall and spring.

iii. PTO sponsors Book Fair in the fall and spring.

iv. Fall Festival and Fireworks Stand projects will involve staff, parents, and community in raising funds to promote scholarships for students, and resources and materials for classroom use.

Although these objectives and strategies are important, they only address the parents' role in attendance improvement and fundraising. The plan does not address any of the concerns presented by the parents in the parental meetings. Additionally, none of the strategies address parent volunteerism or parental activities involving parents by increasing their knowledge and skill-base in working with their children. There is no mention of school activities such as Literacy Nights, Math Nights, or any other activity designed to give parents tools for providing assistance to students at home.

A staff survey was conducted during a parent involvement training session to determine staff thoughts on parent involvement. Staff was instructed to "respond to each statement by placing one check mark under the category that best fits your current feelings about parent involvement in the school." **Exhibit 2-8** shows the percentage of staff that responded to each category regarding statements about parent involvement.

The survey results show that although most staff considers parent involvement to be important, a large percentage indicated that parents were not involved. However, 50 percent did agree that they needed to learn more about working with parents.

The lack of planning and coordinated efforts to improve parent involvement prevents schools from achieving meaningful parent involvement. Board members said that parental involvement was low and expressed an interest in having more parent participation. One member said that the type of parents in HIISD made it difficult for the district to have more success with parental efforts. Parents responding during the community open house expressed concern about the lack of parental involvement in the areas of parent education programs and volunteering.

Of the teachers surveyed by the review team, 64 percent disagreed and 18 percent had no opinion regarding the statement "Parent involvement and training activities are widely available throughout the district."

The Southwest Educational Development Laboratory published a compilation of research studies regarding parental involvement in schools. The publication, *A New Wave of Evidence—The Impact of School, Family, and Community*

EXHIBIT 2-8
RESPONSES TO STAFF SURVEY ON PARENT INVOLVEMENT

	ALMOST ALWAYS	USUALLY	SOMETIMES	ALMOST NEVER	NEVER	DO NOT KNOW
When parents are more involved in the school, students do better academically.	64.0%	32.0%	0.0%	0.0%	0.0%	4.0%
Parents are offered a variety of workshops to assist them in helping their child.	0.0%	0.0%	11.0%	32.0%	18.0%	39.0%
I have a parent volunteer in my classroom.	0.0%	4.0%	14.0%	7.0%	71.0%	4.0%
I need to learn more about how to work effectively with parents.	21.0%	29.0%	43.0%	7.0%	0.0%	0.0%

SOURCE: HIISD counselor/curriculum director, February 2006.

Connections on Student Achievement, presents overwhelming evidence that parents should be encouraged to be active partners in their children's education. These studies show that parents who receive training are willing and able to implement practices linked to improved achievement. Studies showed that in low-income neighborhoods, high parent involvement is correlated with high student achievement.

Many districts and schools plan carefully to ensure that parent involvement strategies address the specific characteristics and needs of their families, and provide activities that result in positive outcomes for the students. These organizations recognize that a major first step in the process is developing the capacity of school staff to work with families so that goals, objectives, and strategies are insightful and attainable. In some districts, administrators and teachers work together in encouraging parents to become meaningfully involved in the school, and in their own children's learning. Together, they ensure that parents recognize the high standards expected of their children and what they can do to support their children's academic success.

HIISD should establish a task force to develop a plan to improve parent involvement. The plan should include strategies for recruiting volunteers and training for teachers. The task force should include administrators, teacher representatives from all three schools, educational aides and district parents. Initially, the task force should focus on identifying relevant research and methodologies that have proven effective in schools similar to HIISD. The task force should develop recommendations regarding the type of parent programs that should be implemented, and the training and resources needed. Recommendations should be presented to the SBDM committee ensuring that appropriate action is taken to approve and implement the plan.

COMMUNICATIONS (REC. 21)

HIISD does not effectively communicate with parents or the community, undermining the district's efforts to gain the trust and confidence of the community.

The district does not keep parents and the community informed of district and campus issues or events. In a staff survey conducted by the district at the beginning of 2005–06, teachers were asked to give their feelings/opinions about certain statements regarding the parent involvement process. **Exhibit 2-9** shows how staff responded to two statements concerning communication with parents.

At a January 31, 2006 meeting, parents indicated that they were not receiving appropriate and timely notifications regarding early dismissals, student progress, grading policies, and testing. They also expressed dissatisfaction with the HIISD's website, indicating that it was not being updated. The superintendent said that if a student was near failing, teachers were required to contact parents either by email or phone.

Community members must rely on the local newspapers for coverage of district events. The superintendent maintains frequent contact with the newspaper reporters covering district news.

The website provides limited information regarding organizations, athletics, school board members, faculty, and staff. Information is provided primarily through pictures of individuals or activities. The button labeled "In the classroom," which should provide parents information that they have requested regarding grading, homework and other classroom related information, is not yet active. The website does provide good information regarding the district calendar, important dates, and upcoming events.

Without well-established communication procedures, HIISD is missing opportunities to communicate vital information to the public. When information is not readily available, parents remain uninformed and thus uninvolved in areas

EXHIBIT 2-9
RESPONSES TO STAFF SURVEY
ON PARENT INVOLVEMENT

	ALMOST ALWAYS	USUALLY	SOMETIMES	ALMOST NEVER	NEVER	DO NOT KNOW
The school publishes newsletters on a regular basis.	0.0%	0.0%	21.0%	14.0%	21.0%	43.0%
I call parents personally to invite them to school activities and meetings.	0.0%	7.0%	25.0%	43.0%	21.0%	4.0%

SOURCE: HIISD counselor/curriculum director, February 2006.

where they could provide support and assistance to both the district and to their children. Without a system of regular newsletters or on-going teacher communications, parents who do not come to school frequently are unable to stay current on their children's learning activities and accomplishments. Furthermore, a community's perception of a district is highly influenced by how the district presents itself to the public.

Districts work diligently to obtain and maintain public support and trust. Establishing a good system of communication at all levels of the organization is important if districts are to be successful. Honest and timely communication with parents and area residents is critical for community support of district initiatives. Some districts understand that they must engage the entire community in conversations and decisions about the schools. They share information through a variety of media enabling the parents and community to define their role and responsibility for public education. With greater understanding of, and involvement in, the business of schools, the public is more willing to commit time and resources for the long-term investment in education.

The superintendent should create a communications plan for sharing district information with all district stakeholders. The superintendent should establish a committee to provide input into the process. The committee should consist of teachers, parents, business, and community representatives. The plan should emphasize the use of various communication strategies and media formats to make information available to both internal and external stakeholders.

For background information on Leadership, Management, Human Resources, and Community Involvement, see page 174 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS		2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
CHAPTER 2: LEADERSHIP, MANAGEMENT, HUMAN RESOURCES, AND COMMUNITY INVOLVEMENT								
8.	Cooperate with the TEA regarding the recommendation of the Legislative Budget Board that TEA conduct an investigation of HIISD under the provisions of the TEC §39.074, On-Site Investigations, and §39.075, Special Accreditation Investigations.	$0	$0	$0	$0	$0	$0	$0
9.	Develop an organizational structure that provides oversight, support, and direction for all district programs, and develop job descriptions, clearly communicating the duties and responsibilities of staff.	$0	$0	$0	$0	$0	$0	$0
10.	Develop an integrated long-range strategic planning process.	$0	$0	$0	$0	$0	$0	($4,283)

(continued on next page)

FISCAL IMPACT (CONTINUED)

RECOMMENDATIONS	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
11. Develop a process to monitor board training requirements and ensure that all board members fulfill annual training requirements as provided by the TAC.	$0	$0	$0	$0	$0	$0	$0
12. Revise the district's hiring practices for superintendents to ensure compliance with the TAC superintendent hiring provisions.	$0	$0	$0	$0	$0	$0	$0
13. Develop comprehensive written operating procedures for conducting all district functions and operations.	$0	$0	$0	$0	$0	$0	$0
14. Develop written procedures and forms to ensure that all HR functions are performed adequately and appropriately.	$0	$0	$0	$0	$0	$0	$0
15. Develop and implement a plan to ensure that the district is in compliance with the NCLB Act regarding "Highly Qualified" teachers.	$0	$0	$0	$0	$0	$0	$0
16. Confirm that all educators meeting the TEC definition of classroom teacher are paid no less than the state minimum salary schedule.	($12,753)	($12,753)	($12,753)	($12,753)	($12,753)	($63,765)	$0
17. Develop a process to guarantee that educator certification requirements are met prior to employment and are maintained in accordance with TEC.	$0	$0	$0	$0	$0	$0	$0
18. Establish a process ensuring that performance appraisals for teachers and other professional staff are completed annually.	$0	$0	$0	$0	$0	$0	$0
19. Develop and implement a staff development plan that reflects the needs of the district's students and staff, provides for a variety of focused professional development activities, includes evaluation of the plan's effectiveness, and is tied to the budget.	$0	$0	$0	$0	$0	$0	$0

(continued on next page)

FISCAL IMPACT (CONTINUED)

RECOMMENDATIONS	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
20. Establish a task force to develop a plan to improve parent involvement.	$0	$0	$0	$0	$0	$0	$0
21. Create a communications plan for sharing district information with all district stakeholders.	$0	$0	$0	$0	$0	$0	$0
TOTALS–CHAPTER 2	**($12,753)**	**($12,753)**	**($12,753)**	**($12,753)**	**($12,753)**	**($63,765)**	**($4,283)**

CHAPTER 3

FINANCIAL MANAGEMENT

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

CHAPTER 3. FINANCIAL MANAGEMENT

School districts must practice sound financial management to maximize limited resources and plan for future needs. Effective financial management ensures that internal controls are in place, technology is maximized to increase productivity, and reports are prepared timely and accurately. Districts must capitalize on the use of their assets, and protect them against loss from unforeseen events. This includes establishing an effective risk management program providing reasonable assurance that a district's assets are safeguarded from loss, minimizing exposure to catastrophic loss, and protecting financial interests should loss occur. Financial management includes the purchasing function, which is a critical process supporting financial accountability in Texas schools.

The state requires school districts to manage their financial operations in conformity with the regulations and requirements of the Texas Education Agency's (TEA) *Financial Accountability System Resource Guide (FASRG)*, and to report their data to the Public Education Information Management System. Using district data, TEA publishes the *Financial Integrity Rating System of Texas (FIRST)* to help districts improve the management of their financial resources. In 2001–02, High Island Independent School District (HIISD) received a *FIRST* rating of Substandard Achievement due to a deficit fund balance. HIISD improved its rating to *Standard Achievement* in 2002–03 and to Above *Standard Achievement* in 2003–04.

HIISD's General Fund in 2004–05 had expenditures totaling $2.12 million, including $0.89 million in instruction. The revenue budget was $2.22 million.

FINDINGS

- HIISD does not have a process to adequately prepare and manage its budget.
- HIISD offers taxpayers a local optional homestead exemption (LOHE) reducing property tax revenues needed to support the district's educational programs.
- HIISD does not have a plan for managing its fund balance causing the fund balance to drop far below the optimum level recommended by the TEA.
- HIISD's Business Office lacks documented procedures and adequate internal controls to minimize errors and safeguard district funds.
- HIISD's employees are not familiar with the payroll recordkeeping and overtime pay requirements of the United States Department of Labor's Fair Labor Standards Act (FLSA).
- HIISD offers teacher housing as a method of attracting teachers to the district, but the board has not established policies for determining the fair market value of the rental properties and whether it is a taxable benefit for the teachers.
- HIISD has not established procedures to close inactive student activity accounts as required in district policy.
- HIISD does not centralize all of its bank balances into an interest earning account to ensure that idle funds are receiving interest.
- HIISD does not comply with the training, reporting, and review requirements of the Public Funds Investment Act (PFIA) contained in Chapter 2256 of the Government Code.
- HIISD lacks an adequate process for tracking or completing an annual inventory of fixed-assets.
- HIISD does not have a process to evaluate and monitor its workers' compensation program to ensure it has the most cost-effective program.
- HIISD does not maintain the required Cafeteria Plan documentation and employee communication to ensure compliance with the requirements of the Internal Revenue Code (IRC) Section 125.
- HIISD has not developed employee benefit procedures or provided employee training to ensure benefit programs are competitive, administered appropriately, and in compliance with benefit laws.
- HIISD does not consistently comply with state competitive procurement laws.
- HIISD does not consistently follow board policy and local procedures requiring the use of purchase orders.

- HIISD does not have a contract management system to ensure the evaluation, monitoring, and maintenance of existing or future district contracts.
- HIISD does not have written procedures to provide guidance and ensure consistency in textbook management.

RECOMMENDATIONS

- **Recommendation 22: Develop a coordinated budget preparation and management process including the board, staff, and other stakeholders in budget planning, preparation, and evaluation.** The superintendent, finance officer, and board should obtain training on school district budget development so that they can develop a comprehensive and inclusive budget process that includes a planning calendar and stakeholder involvement. The superintendent should also provide the board and staff with a monthly budget-to-actual revenues and expenditures comparison.
- **Recommendation 23: Eliminate the LOHE and use the additional revenue to enhance instructional programs.** The elimination of the LOHE will result in increased revenue for the district with out adversely affecting homestead owners who are 65 and older as their school taxes are frozen and cannot increase as long as they own and live in their home.
- **Recommendation 24: Develop a plan to manage the fund balance.** The plan should consider HIISD's long-range needs as well as an evaluation of factors contributing to the district's low fund balance, including the financial effect of accepting tuition-free transfer students. The board and superintendent should develop a fund balance management plan that includes keeping the board informed of how budget amendments affect the fund balance. In addition, the overall budget development process should include a review of how budget decisions affect the fund balance.
- **Recommendation 25: Establish Business Office internal control procedures that segregate payroll and finance duties and safeguard district assets.** The superintendent should develop written Business Office procedures that at a minimum require written approval of the superintendent prior to establishing a new employee in the payroll system; a process for reviewing payroll calculations; a form for approving payroll changes; a process for reviewing payroll and accounts payable computer generated edits by a person other than the originator; and the transfer of bank statement reconciliation duties to a party other than the one who entered payment information.
- **Recommendation 26: Evaluate payroll recordkeeping and overtime procedures to ensure compliance with all federal and state requirements.** The superintendent and payroll officer should be familiar with the requirements of the FLSA and identify all employees who are subject to the requirements of the law. The superintendent should work with the payroll officer to develop recordkeeping and overtime reporting procedures complying with FLSA requirements.
- **Recommendation 27: Adopt policies delineating how the district determines fair market value on its rental properties, and whether it is a taxable benefit to employees.** The policies should also address the circumstances under which the properties will be made available to the general community.
- **Recommendation 28: Close all inactive student activity accounts and credit the balances to the appropriate account as determined by campus administration.** The superintendent should ask the Business Office to prepare a list of all inactive accounts, review the list, and determine if any accounts should remain open.
- **Recommendation 29: Maximize interest yield by working with the depository bank to centralize all of the account balances into an interest earning account.** The superintendent should request that the bank amend the depository contract to include sweeping all bank account balances into the Local Maintenance Special Account. If the bank does not agree to the amendment, the district should make arrangement to directly deposit all tax receipts into a governmental investment pool.
- **Recommendation 30: Protect district funds by complying with the training, reporting, and review requirements of PFIA.** The superintendent and finance officer should complete all training required by PFIA, prepare the required investment reports, and present them to the board for quarterly review. The superintendent and board should review HIISD's investment policies and investment strategy annually.

- **Recommendation 31: Develop formal fixed-asset procedures including requirements for maintaining a computerized listing of fixed-assets and conducting an annual inventory of all fixed-assets.** The superintendent should work with the board to revise relevant district policy and use the policy as a guide to develop fixed-asset procedures. The finance officer should enter historical asset data into the computer asset management application system. Once entry is complete, the district should use the computer-generated reports to aid in conducting a fixed-asset inventory and reconcile any discrepancies.
- **Recommendation 32: Develop and implement a policy requiring the staff to monitor and evaluate the workers' compensation program annually.** The superintendent should request legal counsel to review the interlocal agreement to identify existing liability exposures. In addition, the superintendent should request and review the most current audited financial statement of the self-funded pool. The superintendent and payroll officer should meet with the current third party administrator (TPA) to review available loss control services included in the current contract and request a safety audit be completed for the district with written audit results.
- **Recommendation 33: Develop a Cafeteria Plan document and employee communication compliant with IRC Section 125.** The superintendent should request legal counsel to review the Cafeteria Plan documents, board resolution, and employee communication and make any necessary amendments to ensure compliance with IRC Section 125. The payroll officer should monitor the TPA services to assure compliance with IRS Code Section 125 and other benefit laws.
- **Recommendation 34: Develop employee benefit procedures to guide the district in the selection and administration of benefit programs, and provide staff with training on benefit laws.** The payroll officer should identify the processes necessary for the administration of the district's employee benefit program and create operating procedures. The payroll officer also should obtain annual training on benefit laws and compliance requirements. The Business Office should update the Employee Handbook to include available benefits, eligibility, enrollment procedures, and change requirements.
- **Recommendation 35: Comply with state purchasing laws and related board policy for purchases exceeding $10,000 in the aggregate.** The superintendent and finance officer should develop district guidelines for using competitive procurement methods to ensure compliance with state purchasing laws and board policy.
- **Recommendation 36: Ensure that all district employees follow board policy and local procedures requiring the use of purchase orders.** The superintendent should review the purchase order requirements in the FASRG and HIISD's purchase order procedures to ensure consistency. The superintendent should also hold district staff accountable for following the established procedures.
- **Recommendation 37: Develop a contract management system with procedures to manage and monitor district contracts.** The Business Office should develop a central filing system for all contracts to assist with tracking and monitoring. The superintendent should develop a process to evaluate the services or products provided under the contract.
- **Recommendation 38: Establish written guidelines for complying with textbook rules and regulations.** The district's textbook coordinator should develop textbook procedures that can guide the textbook selection process, ordering of textbooks, inventory, and reimbursement for lost textbooks. The procedures should be reviewed and updated annually.

DETAILED FINDINGS

BUDGET DEVELOPMENT (REC. 22)

HIISD does not have a process to adequately prepare and manage its budget. The district does not link the budget to academic goals, evaluate revenue and expenditure trends, consider long-term needs, monitor the budget, or include district employees in budget training, development, and monitoring.

The superintendent, who has had only one course in budgeting, is primarily responsible for developing and managing the budget. To prepare the budget, the superintendent meets with the finance officer, who also lacks adequate budget training, to discuss revenue estimates and outline recommendations for salary increases.

After meeting with the superintendent, the finance officer completes a computer generated budget worksheet listing the current year's budget, current year expenditures-to-date, and blank spaces for entering the next year's budget allocations. The payroll officer furnishes salary and benefit estimates and the superintendent completes the remainder of the budget worksheet.

The district's 2005–06 budget was based on a 3 percent salary increase for administration and auxiliary staff and a step increase plus 3 percent for teachers. Other changes in the budget included the following:

- addition of a part-time art teacher;
- an increase in the fuel and utilities budgets;
- alignment of Food Service workers' pay;
- a $15,000 stipend for the superintendent for duties associated with acting as principal;
- an increase in the estimate for local tax revenue; and
- basing state revenue estimate on an average daily attendance of 200 students.

The superintendent develops the budget without input from the site-based decision-making committees, counselor/ curriculum director, teachers, cafeteria manager, or other district personnel. Although the campus improvement plans (CIPs) contain references to specific funding sources, there is no effort to tie budget development to the CIPs. This has a direct effect on campus spending since the site-based decision-making committees have no knowledge of how campus funds are budgeted. School staff do not spend the funds allocated in support of programs, often leaving budgeted funds unspent. **Exhibit 3-1** contains an example of the HIISD's Budget Worksheet for 2005–06.

As shown in **Exhibit 3-1** the budgeted funds in several instructional categories were not spent in 2004–05, yet the same budget was assigned in 2005–06. For example,

EXHIBIT 3-1
EXAMPLE OF HIISD BUDGET WORKSHEET BY FUND
2005–06

DESCRIPTION	CURRENT YEAR-TO- DATE AMENDED BUDGET	CURRENT YEAR-TO- DATE EXPENDITURES	NEXT YEARS BUDGET
Awards Supplies High School (HS)	$100	$100	$200
Awards Supplies Middle School (MS)	$100	$100	$200
Awards Supplies Elementary School (ES)	$100	$100	$200
Physical Ed Supplies MS	$50	$0	$0
Physical Ed Supplies ES	$150	$0	$0
General Supplies Comp Ed HS	$750	$189	$750
General Supplies Comp Ed MS	$750	$59	$750
General Supplies Comp Ed ES	$750	$140	$750
General Supplies Gifted & Talented HS	$500	$1,912	$1,000
Equipment/Furniture Comp Ed HS	$200	$0	$200
General Supplies Gifted & Talented MS	$200	$0	$200
Equipment/Furniture Comp Ed MS	$200	$0	$200
General Supplies Gifted & Talented ES	$100	$0	$100
Equipment/Furniture Comp Ed ES	$300	$0	$300
General Supplies Voc Ed HS	$750	$864	$750
General Supplies Voc Ed HS	$500	$294	$500
General Supplies Special Ed HS	$1,500	$709	$1,000
General Supplies Special Ed MS	$1,766	$368	1,000
General Supplies Special Ed ES	$1,500	$0	$1,000

SOURCE: HIISD Budget Worksheet by fund, page 8 of 38, dated June 15, 2005.

compensatory education supplies remained at $750 for all three schools, even though this amount was not used.

After completing the budget worksheet, the superintendent schedules budget workshops with the board. In most years, one workshop is conducted a month or two prior to holding the budget hearing. The 2005 budget workshop was held on July 18, 2005 as a part of the regular July board meeting. Typically, only the superintendent and board members attend the budget workshops. The finance officer and other district employees do not attend unless invited by the superintendent. The superintendent presents the proposed budget changes at the workshop, reviews the previous year's expenditures and revenues, and answers board members' questions. At the 2005 budget workshop, the superintendent did not present the board with data comparing HIISD teacher pay, expenditure by functions, or cost per student with other districts. Historically, HIISD superintendents do not present the board with long-term budgets or discuss the Food Service operation budget, which has operated at a deficit for the past few years.

HIISD does not publish a formal budget calendar but does comply with Texas Education Code (TEC) §44.002 through §44.006, which require the following:

- the budget be prepared by a date set by the state Board of Education, which is currently August 20; and
- the board president must call a public meeting of the Board of Trustees, giving ten days public notice in a newspaper.

HIISD's public hearing was conducted on August 20, 2005, at 7:00 PM. With the exception of the superintendent, there were no members of the public or district employees present at the meeting. The hearing was adjourned at 7:10 PM. One board member said that the public never shows up at the budget hearings, and that it has been several years since employees last attended a hearing. Following the hearing, the board approved the 2005–06 budget.

The superintendent provides the board with monthly financial reports, containing a detailed comparison of revenues and expenditures to budget as part of the packet of materials but does not explain how to use the reports. District personnel can ask for budget-to-actual comparisons but the superintendent does not routinely provide this information to staff.

HIISD amends the budget throughout the year as needed. The finance officer said amendments are up to the superintendent, and that some superintendents request monthly amendments, while others require only an annual amendment. The superintendent, principal, Food Service director, counselor/curriculum director, and the technology coordinator have authority to authorize expenditures against the budget, but not all of these employees know their budgeted allowances for the year.

The district spends a smaller percentage of its budget on instruction than the peer districts. **Exhibit 3-2** contains the percent of expenditures by function for HIISD and peer districts for 2003–04.

The exhibit also shows that HIISD expends a greater percentage of its budget on maintenance, transportation and extracurricular activities than its peers. The trend continued into 2004–05 as displayed in **Exhibit 3-3**, which compares selected 2004–05 budget data.

As shown in **Exhibit 3-4** HIISD spent $1,165 less per student on instruction than peer districts in 2003–04.

During the same period, HIISD revenues per student membership exceeded peer averages by $58 per student (**Exhibit 3-5**).

Failing to monitor and amend the budget resulted in HIISD receiving deficiency letters from the TEA in 2003, 2004, and 2006. These letters in part criticized the district for allowing specific functional expenditures to exceed the budget by more than 10 percent. The letters state that, "Under the law, expenditures from governmental fund types cannot be made without authority of appropriation." The letters go on to state, "Please review carefully the *Financial Accountability System Resource Guide (FASRG)* regarding budget amendments and take action to ensure that future expenditures are made within the budgeted amounts."

In addition, for several years the district's Food Service operation has operated at a loss. As a result, the General Operating Fund has had to transfer funds to cover the deficits. The failure to timely address this situation or budget for the transfer negatively affects HIISD's fund balance. TEA noted this problem in the 2006 deficiency letter, which stated that "expenditures exceed the budget in both the General Fund and the Child Nutrition Fund as a whole." **Exhibit 3-6** compares HIISD's national school breakfast and lunch program revenues, expenditure, and deficiencies across 2002, 2003, 2004, and 2005.

The exhibit shows that general operating funds were required to cover deficits in the Child Nutrition Program in each of

EXHIBIT 3-2
HIISD AND PEER DISTRICT PERCENTAGE OF EXPENDITURES BY FUNCTION
2003–04

DESCRIPTION	CHESTER ISD	HIGH ISLAND ISD	SILVERTON ISD	VEGA ISD	WHITHARRAL ISD
Instruction	55.26%	**45.09%**	59.43%	57.64%	54.1%
Instructional Resources and Media Services	3.29%	**2.41%**	2.4%	1.9%	2.55%
Curriculum Development and Instructional Staff Development	0.05%	**1.3%**	0.1%	0.01%	0.3%
Instructional Leadership	0.0%	**0.8%**	0.02%	0.01%	0.1%
School Leadership	5.6%	**5.2%**	4.3%	6.6%	7.05%
Guidance, Counseling and Evaluation Services	0.3%	**2%**	0.9%	3.04%	0.5%
Health Services	0.9%	**0.1%**	2.2%	1.6%	0.4%
Student (Pupil) Transportation	3.5%	**5.7%**	2.9%	2.2%	1.4%
Food Service	0.0%	**0.1%**	0.1%	0.1%	0.0%
Co-curricular/Extracurricular Activities	5.2%	**6.2%**	4.4%	5.%	5.9%
General Administration	11.6%	**10.7%**	11.1%	11.3%	11.1%
Plant Maintenance and Operations	12.1%	**18.1%**	12.0%	10.0%	17.0%
Security and Monitoring Services	0.0%	**0.02%**	0.0%	0.0%	0.0%
Data Processing Services	2.3%	**2.3%**	0.1%	0.5%	0.0%
TOTALS	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

SOURCE: Texas Education Agency, General Fund Actual Financial Data, 2003-04.

EXHIBIT 3-3
HIISD AND PEER DISTRICT PERCENTAGE OF BUDGET ALLOCATION IN SELECTED FUNCTIONS
2004–05

DESCRIPTION	CHESTER ISD	HIGH ISLAND ISD	SILVERTON ISD	VEGA ISD	WHITHARRAL ISD
Instruction	57.32%	**43.75%**	55.52%	55.37%	52.24%
Instructional Resources and Media Services	2.96%	**2.92%**	2.6%	1.9%	4.%
Curriculum Development and Instructional Staff Development	0.1%	**1.5%**	0.1%	0.1%	0.5%
Student (Pupil) Transportation	4.%	**5.6%**	3.4%	2.8%	1.9%
Co-curricular/Extracurricular Activities	5.7%	**6.3%**	4.1%	5.8%	6.2%
Plant Maintenance and Operations	12.8%	**18.7%**	12.9%	10.8%	15.9%

SOURCE: Texas Education Agency, General Fund Budgeted Financial Data, 2004-05.

the fiscal years noted in the chart. These transfers negatively affect the district's fund balance.

The district has a history of inattention to budget and related expenditure requirements. In 2002, HIISD received a letter from TEA demanding a refund of $106,192 in state funding for failing to meet the expenditure requirements in special education. The letter stated, "According to Texas Education Code, Chapter 42, and State Board of Education rules, direct costs during each fiscal year must be at least 85 percent of a district's Foundation Schools Program (FSP) allotments for Bilingual Education, Compensatory Education, Gifted and Talented, Career and Technology, and Special Education. Our review indicated that your district did not meet the 85 percent expenditure requirements for the Special Education program for the 1996–97 and 1997–98 school years." Since 1998–99, the district has verified direct costs to confirm they are applied to the correct programs.

HIISD also lacks a capital replacement budget to ensure timely replacement of the equipment and technology needed to sustain educational programs. For example, the district's

EXHIBIT 3-4
HIISD AND PEER DISTRICT INSTRUCTIONAL AND SELECTED EXPENDITURES PER STUDENT MEMBERSHIP
2003–04

DESCRIPTION	CHESTER ISD	SILVERTON ISD	VEGA ISD	WHITHARRAL ISD	PEER DISTRICT AVERAGE	HIGH ISLAND ISD	VARIANCE
Instruction	$4,791	$4,164	$4,971	$4,379	$4,576	**$3,351**	($1,225)
Instructional Resources and Media Services	285	168	165	207	206	**179**	(27)
Curriculum Development and Instructional Staff Development	5	8	1	26	10	**98**	88
TOTAL GENERAL FUND INSTRUCTION	**$5,081**	**$4,340**	**$5,137**	**$4,612**	**$4,793**	**$3,628**	**($1,165)**
Co-curricular/Extracurricular Activities	$450	$312	$428	$473	$416	**$461**	$45
Plant Maintenance and Operations	$1,047	$840	$841	$1,347	$1,019	**$1,342**	$323

SOURCE: Texas Education Agency, General Fund Actual Financial Data, 2003-04.

EXHIBIT 3-5
HIISD AND PEER DISTRICT GENERAL FUND REVENUES PER STUDENT MEMBERSHIP
2003–04

DESCRIPTION	CHESTER ISD	SILVERTON ISD	VEGA ISD	WHITHARRAL ISD	PEER DISTRICT AVERAGE	HIGH ISLAND ISD	VARIANCE
Local Tax	$3,852	$2,674	$3,044	$1,927	$2,874	**$3,792**	$918
Other Local and Intermediate	159	97	649	257	291	**600**	309
State	6,245	4,831	6,239	5,436	5,688	**4,523**	(1,165)
Federal	0	21	11	23	14	**10**	(4)
TOTALS	**$10,256**	**$7,623**	**$9,943**	**$7,643**	**$8,867**	**$8,925**	**$58**

SOURCE: Texas Education Agency, General Fund Actual Financial Data, 2003-04.

EXHIBIT 3-6
HIISD NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM REVENUES, EXPENDITURES, AND DEFICIENCIES
2001–02 THROUGH 2004–05

DESCRIPTION	2001–02	2002–03	2003–04	2004–05
Revenues	$106,704	$93,859	$106,599	$85,569
Expenditures	$111,451	$109,220	$138,286	$121,560
Deficiency	($4,747)	($15,361)	($31,687)	($35,991)
TRANSFER FROM GENERAL FUND	**$7,200**	**$32,524**	**$31,687**	**$35,991**
Beginning Fund Balance	($19,616)	($17,163)	$0	$0
Ending Fund Balance	($17,163)	$0	$0	$0

SOURCE: HIISD Annual Financial Reports, Fiscal Years 2002, 2003, 2004, and 2005.

Technology Plan includes budgeting $30,000 for equipment in 2005, 2006 and 2007. A review of the fixed-asset reconciliation for 2005 contained $4,830 in actual technology purchases, and the 2006 school year resource and media function budget contains only $3,250 for supplies and materials with no budget for capital equipment. In fact, the HIISD's 2006 fund budget contains a total capital equipment budget of $1,000.

Teachers expressed their lack of involvement with the budget process in a teachers' focus group and in the teacher surveys

conducted by the review team. **Exhibit 3-7** provides responses to the Financial Management section of the teacher surveys.

Exhibit 3-7 shows that a large percentage of teachers believe that site-based budgeting is not practiced and financial resources are not allocated fairly. In the teachers' focus group, several teachers expressed the need to have fundraisers to support academic classes because they do not receive adequate funds to purchase classroom supplies.

HIISD's failure to utilize proper budget development and monitoring techniques has contributed to under funding of instruction, overspending of the budget in functional categories, a failure to address food service fund deficits, an inadequate fund balance, the lack of a capital replacement plan, and a staff that does not feel part of the process. This has resulted in the following problems:

- The failure to involve staff in the budget process and to tie the budget to educational program requirements has created staff frustration, a budget that fails to address the district's instructional needs, and a TEA requirement to return unspent 1997–98 special education funds. Since 1998–99, HIISD has been in compliance concerning special education funding requirements.
- The failure to address the food service deficit and excessive spending in other functional areas drains financial resources, and contributes to a less than optimum fund balance.
- The failure to monitor and amend the budget timely contributed to overspending functional areas and has resulted in HIISD receiving a number of deficiency letters from the TEA.
- The failure to budget for capital replacement may eventually result in equipment failures that will adversely affect future budgets.

School budgeting incorporates the three major phases of budgeting outlined in the *FASRG, Section 2.3 Budget Process Overview* which states:

> The budgeting process is comprised of three major phases: planning, preparation, and evaluation. The budgetary process begins with sound planning. Planning defines the goals and objectives of campuses and the school district and develops programs to attain those goals and objectives. Once these programs and plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocations are the preparation phase of budgeting. The allocations cannot be made, however, until plans and programs have been established.
>
> Finally, the budget is evaluated for its effectiveness in attaining goals and objectives. Evaluation typically involves an examination of how funds were expended; what outcomes resulted from the expenditure of funds; and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. In summary, budget preparation is not a one-time exercise to determine how a school district will allocate funds. Rather, school district budget preparation is part of a continuous cycle of planning and evaluation to achieve district goals.

EXHIBIT 3-7
HIISD TEACHER SURVEY RESPONSES
FINANCIAL MANAGEMENT SECTION

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
Site-based budgeting is used effectively to extend the involvement of principals and teachers.	0.0%	9.0%	46.0%	27.0%	18.0%
Campus administrators are well trained in fiscal management techniques.	0.0%	18.0%	55.0%	27.0%	0.0%
Financial resources are allocated fairly and equitably at my school.	0.0%	18.0%	55.0%	18.0%	9.0%

SOURCE: HIISD School Review Surveys, January 2006.

A good budget calendar incorporates the elements of the budget development process. The *FASRG, Section 2.7.2.2: Preparation of the Budget Calendar* offers the following three steps that can be used to prepare a budget calendar:

- Determine the level of detail needed. A district may have several budget calendars with varied levels of detail provided. A general calendar may be presented to the school board while a detailed calendar may be used in the budget guidelines for use at the campus level. If several calendars are used, they should be summarized in a district master calendar to ensure that all the activities and dates are consistent and compatible.
- Identify all the activities that must be included in the calendar and arrange them in chronological order.
- Assign completion dates to each activity on the calendar. Completion dates should be assigned working backward through the activities from the legally mandated date for presentation of the preliminary school district budget to the school board by August 20. Dates should also be assigned to ensure that sufficient time is allowed for the completion of each activity on the calendar. Budget calendars should also contain a column that show who is responsible for each activity listed.

The *FASRG* also provides a sample budget calendar. Typical school districts modify the sample to suit district needs. **Exhibit 3-8** is an example of a budget calendar that has been modified to meet the requirements of a district the size of HIISD.

EXHIBIT 3-8
BUDGET CALENDAR EXAMPLE

TARGET DATE	ACTIVITY/PROCESS	RESPONSIBILITY
01-10-0X	Budget process approved	Superintendent
01-15-0X	Review current years budget and expenditures and project enrollments and estimate revenues for new budget	Superintendent and finance officer
02-15-0X	Staffing requirements determined	Superintendent, principal, and counselor/curriculum director
03-6-0X	Budget process outlined to principal and staff	Superintendent and finance officer
03-8-0X	Beginning of campus budget preparation	Principal/staff
03-8-0X	Beginning of special program and support service budget preparation	Counselor/curriculum director, Special Education cooperative director, and finance officer
03-25-0X	Review of final campus budget by Campus Improvement Committees (CIC)	Principal and counselor/curriculum director
04-1-0X	Completion of campus budgets	Principal
04-6-0X	Completion of special program and support service budgets	Superintendent, counselor/curriculum director, Special Education Coop director, and finance officer
04-8-0X	Initiate review of campus budgets and non-allocated requests	Superintendent, Principal, and counselor/curriculum director
05-18-0X	Review projected revenue estimates	Superintendent and finance officer
05-21-0X	Review of proposed salary schedule	Superintendent, payroll officer, and finance officer
05-22-0X	Review of capital budget and long-term capital requirements	Superintendent, principal, and counselor/curriculum director
06-8-0X	Complete first draft of district budget	Finance officer
06-9-0X	Review first draft of district budget	Superintendent
06-16-0X	Budget workshop to receive board input on first draft	School Board, superintendent, and finance officer
07-30-0X	Complete final budget draft	Superintendent, payroll officer, and finance officer
07-16-0X	Budget workshop	School Board, superintendent, and finance officer
08-13-0X	Official public budget hearing	School Board, superintendent, and finance officer
08-27-0X	Budget adopted	School board

SOURCE: Texas Education Agency's Financial Accountability System Resource Guide, Budget Calendar, as modified by Texas Public School Consulting, Inc.

The budget process does not end with budget adoption but is a continuous process. The *FASRG, Section 2.10.4: Monitoring the Budget*, states "As budgeted funds are expended, periodic monitoring of the budget should be conducted in accordance with responsibility accounting. Each level of the district's organization is responsible for monitoring those budget items for which it is responsible." Expenditures exceeding budgeted functional totals require a budget amendment. *FASRG, Section 2.10.6, Amending the Budget*, states "Budget amendments are mandated by the state for budgeted funds reallocated from one function level, and state and/or federal project to another. These budget changes are usually the result of unexpected levels of expenditures in certain categories and must be amended in the budget for legal compliance. Other budget amendments are determined by the school board."

HIISD should develop a coordinated budget preparation and management process including the board, staff, and other stakeholders in budget planning, preparation, and evaluation. The process must be implemented by the superintendent who, according to HIISD Policy CE (LEGAL) and Texas Education Code §44.002, "shall prepare or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the District for the following fiscal year."

The first step in the process should include training the superintendent, finance officer, and board on school district budget development so that they can develop a comprehensive and inclusive budget process that includes a planning calendar and stakeholder involvement. This type of training is available from professional organizations and regional education service centers. The Texas Association of School Business Officials (TASBO) offers annual two-day training, on-site training, and online budget training options.

The superintendent should provide the board members and staff with a monthly budget to actual revenues and expenditures comparison. The finance officer should be responsible for producing and distributing this report, and should also train the board and district staff on how to use the report. The superintendent should ensure that budget amendments are presented to the board timely and that functional categories are not over spent. This can be accomplished by requiring district personnel who have authority to authorize expenditures against the budget to complete a simple amendment form showing the budget code, original budget, amendment, and the revised budget. The form should also include an explanation section, the date of request, a place for the originator's signature, and an approval line for the superintendent. The *FASRG* contains a sample budget amendment form on its website.

Budget development training for the board members, the superintendent, and the finance officer is estimated at a one-time cost of $2,500 for one-day onsite training for the board, and a first-year cost of $1,526 for two-day training for the superintendent and the finance officer. The estimate is based on the cost of training available through TASBO. The two-day TASBO Budget Academy is conducted in Austin, Texas, and costs $275 plus an estimated $488 in travel expenses per person. Sending the superintendent and the finance officer to this training will cost $1,526 the first year [($275 training + $488 travel expenses) x 2]. TASBO also offers on-site training for district boards and other district personnel for the cost of $2,500. To stay current with budget development processes, the district should send either the superintendent or finance officer to the two-day training every other year, for a cost of $763 ($275 cost of training + $488 travel expenses). The estimated five-year cost of this recommendation is $5,552 ($3,052 + $2,500).

Additional board budget training is available online from TASBO for a cost of $90 per course. The cost of this training should be paid out of the board training budget and should not cause an additional financial consequence.

LOCAL OPTIONAL HOMESTEAD EXEMPTION (REC. 23)

HIISD offers taxpayers a LOHE reducing property tax revenues needed to support the district's educational programs. The HIISD board grants residential homestead owners a 20 percent LOHE, in addition to the required $15,000 exemption from the fair market value given to all qualified resident homesteads.

State law authorizes the governing body of a district to grant an additional percentage exemption of up to 20 percent of the market value of a residence homestead. The exemption must be at least $5,000. Of more than 1,000 school districts in the state, only 217 offer a LOHE and many of these districts do not offer the full 20 percent exemption. None of HIISD's peer districts offer a LOHE. An HIISD board member said that the board had not received any training or information on how granting a LOHE would affect the district.

Since the LOHE applies to a percentage of the value of a homestead, it reduces the taxable value of a higher-priced home more than the value of a lower-priced home, and is

considered a regressive exemption. In contrast, the mandatory statewide exemption of the first $15,000 of a homestead's value is progressive, as it has a greater effect on a low-value home than on a higher-value home. **Exhibit 3-9** shows the influence of the LOHE on the appraised value of HIISD homesteads and the amount of property tax due. The average market value of a homestead in HIISD is $55,477.

Exhibit 3-9 shows that the average homestead would receive an $11,095 exemption while a $200,000 homestead would receive a $40,000 exemption.

Exhibit 3-10 compares the property taxes that would be due with and without the 20 percent LOHE.

By offering a LOHE, HIISD has reduced tax revenues that could be used to support the district's educational programs. The LOHE has also reduced state funding since state funding is tied to a district's tax effort.

The Center for Public Policy Priorities' paper, *Where Did All The Money Go?*, states "A district with little reliance on residential property in its tax base is more likely to offer the exemption than a district that consists primarily of homes, since the exemption has less effect on its total taxable value. Two-thirds of the districts granting the exemption come from the minority of districts with less than 30 percent of their property wealth in residential homesteads; only 28 of the nearly 200 districts that consist primarily of homes give the exemption." Seventy percent of HIISD's property value consists of single-family residences.

The HIISD board should eliminate the LOHE and use the additional revenue to enhance instructional programs. The elimination of the LOHE will result in increased revenue for the district without adversely affecting homestead owners who are 65 and older as their school property taxes are frozen and cannot increase as long as they own and live in their home.

The fiscal impact of this recommendation will increase local tax revenues by $45,084 annually beginning in 2007-08. This is computed by taking the appraised value of the LOHE, which is $3,005,620 and dividing it by 100 to arrive at the taxable value per $100 of valuation ($3,005,620/100) and multiplying the result by the maintenance and operations tax rate of $1.50 ($30,056 x $1.50). The five-year savings is an

EXHIBIT 3-9
HIISD LOCAL OPTIONAL HOMESTEAD EXEMPTION
IMPACT ON PROPERTY TAX

MARKET VALUE OF HOMESTEAD	STATE MANDATED HOMESTEAD EXEMPTION	LOCAL OPTIONAL HOMESTEAD EXEMPTION	TAXABLE VALUE	TAX RATE	TOTAL PROPERTY TAX
$25,000	$15,000	$5,000	$5,000	$1.70	$85
$55,477	$15,000	$11,095	$29,382	$1.70	$499
$75,000	$15,000	$15,000	$45,000	$1.70	$765
$100,000	$15,000	$20,000	$65,000	$1.70	$1,105
$150,000	$15,000	$30,000	$105,000	$1.70	$1,785
$200,000	$15,000	$40,000	$145,000	$1.70	$2,465

SOURCE: HIISD Notice of Public Meeting to Discuss Budget and Proposed Tax Rate.

EXHIBIT 3-10
PROPERTY TAX IMPACT WITH AND WITHOUT THE
HIISD LOCAL OPTIONAL HOMESTEAD EXEMPTION

MARKET VALUE OF HOMESTEAD	STATE MANDATED HOMESTEAD EXEMPTION	TAXABLE VALUE	TAX RATE	PROPERTY TAX WITHOUT LOHE	PROPERTY TAX WITH LOHE	VARIANCE
$25,000	$15,000	$10,000	$1.70	$170	$85	$85
$55,477	$15,000	$40,477	$1.70	$688	$499	$189
$75,000	$15,000	$60,000	$1.70	$1,020	$765	$255
$100,000	$15,000	$85,000	$1.70	$1,445	$1,105	$340
$150,000	$15,000	$135,000	$1.70	$2,295	$1,785	$510
$200,000	$15,000	$185,000	$1.70	$3,145	$2,465	$680

SOURCE: HIISD Notice of Public Meeting to Discuss Budget and Proposed Tax Rate and Texas Public School Consulting Calculations.

estimated $180,336. The implementation of this recommendation will affect the state treasury.

FUND BALANCE MANAGEMENT (REC. 24)

HIISD does not have a plan for managing its fund balance causing the fund balance to drop far below the optimum level recommended by the TEA. District board members have little knowledge of what a fund balance encompasses and no plan to determine an optimum fund balance for HIISD.

Fund balance is the gross difference between a fund's assets and liabilities reflected on the balance sheet and is normally comprised of the following three elements:

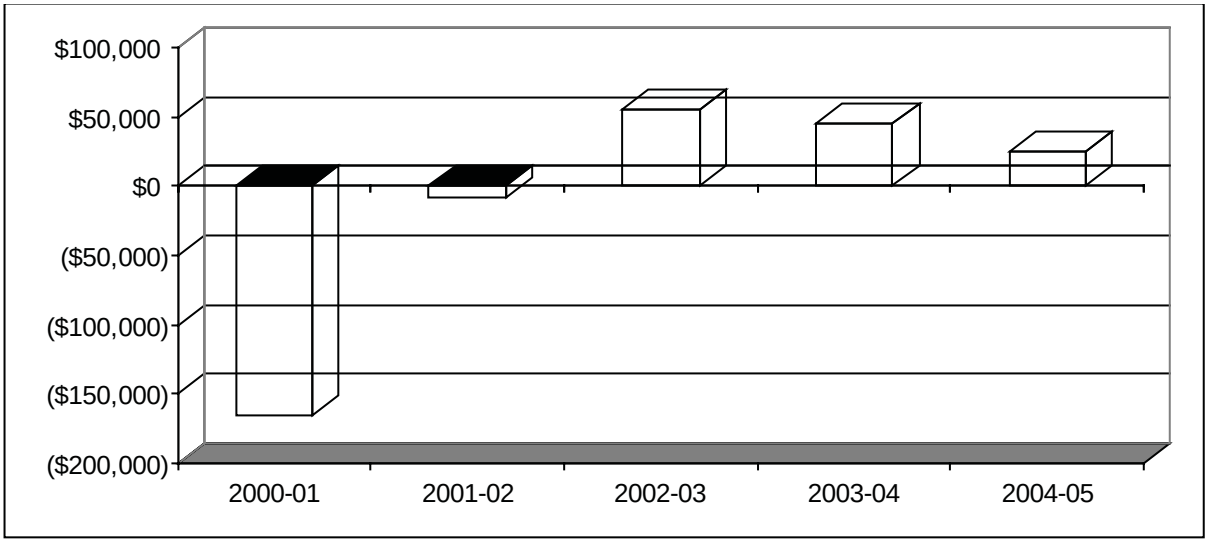
- Reserved fund balance designates the portion of fund balance not available for appropriations or expenditures and includes items such as inventory and food service. It also includes funds legally restricted for a specific use, such as a reserve for encumbrances.
- Designated unreserved fund balance is the amount set aside or designated by management to reflect tentative plans or commitments of district resources. Designations require board action to earmark fund balance for bona fide purposes to be fulfilled within a reasonable period of time. An example would be designations for self-insurance or capital replacement.
- Undesignated unreserved fund balance is the difference between the unreserved fund balance and the designated unreserved fund balance. This portion of the fund balance is usually available to finance monthly operating expenditures.

During the past five years, the fund balance has varied between a low of ($165,319), to a high of $55,092. **Exhibit 3-11** shows the HIISD's fund balance for a five-year period beginning in 2000–01.

Exhibit 3-11 shows that the HIISD's fund balance was negative at the end of 2000–01. It also shows the district added to the fund balance in both 2001–02 and 2002–03, but that the fund balance has declined since then.

HIISD's financial problems started in 1998 when it issued Lease Revenue Bonds to finance the construction of a middle school. The bonds were issued with the intention of making the lease payments through the fund. The plan was dependent upon the district receiving state financial assistance through the state's Instructional Facilities Allotment (IFA). The program assists districts in making debt service payments on qualifying bonds or lease-purchase agreements. Bond or lease-purchase proceeds must be used for the construction or renovation of an instructional facility. When HIISD failed to receive IFA funding it was forced to use the fund balance to supplement the lease-purchase payments because it had already started the construction project. This resulted in a

EXHIBIT 3-11
HIISD FUND BALANCE HISTORY
2000–01 THROUGH 2004–05



SOURCE: HIISD Annual Financial Reports, 2000-01 through 2004-05.

deficit fund balance. TEA called a meeting with the district to discuss the situation and suggested the district issue new refunding bonds to pay off the lease revenue bonds, thereby transferring debt payments from the General Fund to the Debt Service Fund. On October 5, 2002, HIISD held a successful bond election authorizing the issuance of $2.2 million in building and refunding bonds. The proceeds from this issue paid off $1.27 million in lease revenue bonds as well as other district debt.

The proceeds from the bond issue had a positive effect on the fund balance in 2001–02, but other situations in the district put a strain on district funds and are not being addressed by the administration and board. The following is a list of items that are having a negative effect on the fund balance:

- The district offers a LOHE increasing the homestead by an additional 20 percent of the appraised value, thereby decreasing annual tax revenues by approximately $45,000 in local revenue and $55,000 in state funding.
- The Food Service department has operated at a loss for several years requiring the general fund to cover deficits.
- The maintenance costs, co-curricular/extracurricular activities, and transportation expenditures exceed peer district averages.

In addition, the cost of accepting tuition-free transfer students has not been evaluated to determine the effect of this decision on district finances.

HIISD's fund balance continued to decline into 2004–05. According to the *Annual Financial Report* for 2004–05, the district's fund balance dropped from $45,023 at the beginning of the year, to $24,934 by August 31, 2005. In 2005–06, the district received impact aid grants related to hurricane recovery. The grants totaled $927,200 and will increase the HIISD's future fund balance.

TEA *FASRG, Section 1.2.9.2, Unreserved Fund Balance*, states, "Prudent financial management requires accumulating undesignated unreserved fund balance in the General Fund in an amount that is adequate to cover net cash outflows that occur in virtually all school districts during most of the fiscal year." HIISD has not had an adequate fund balance and has relied on bank loans to meet the district's operational needs for several years.

TEA established a rule of thumb to help districts compute an optimum fund balance sufficient to meet operational cash requirements. *FASRG, Section 6.2.2.1, Optimum Fund Balance*, states, "The rule of thumb calls for the computation of the optimum undesignated unreserved fund balance to equal the estimated amount to cover cash flow deficits in the General Fund for the fall period in the following fiscal year plus estimated average monthly cash disbursements of General Fund for the nine months following the fiscal year." The instructions for determining an optimum fund balance are contained in the *FASRG's Financial Accounting and Reporting* module, *Appendix 3 – Fund Balance and Cash Flow Worksheet*. The completed worksheet is included as an unaudited exhibit in a district's *Annual Financial Report*. **Exhibit 3-12** contains the optimum fund balance calculations taken from the HIISD *Annual Financial Reports* for 2000–01 through 2004–05.

HIISD's fund balance situation has resulted in TEA deficiency letters covering 1999–2000 through 2003–04. In

EXHIBIT 3-12
HIISD OPTIMUM FUND BALANCE CALCULATIONS
2000–01 THROUGH 2004–05

	FISCAL YEARS				
EXPLANATION	**2000–01**	**2001–02**	**2002–03**	**2003–04**	**2004–05**
Beginning Fund Balance	($165,319)	($7,598)	$55,092	$45,023	$24,934
Reserved Fund Balance	$0	$0	$0	$0	$0
Designated Fund Balance	$0	$0	$0	$0	$0
Amount Designated to cover fall cash flow deficits	$0	$0	$0	$0	$100,000
Estimate of one month cash disbursement	$200,000	$200,000	$200,000	$201,900	$195,256
Optimum Fund Balance	$200,000	$200,000	$200,000	$201,900	$295,256
Excess (Deficit) Unreserved Fund Balance	($365,319)	($207,598)	($144,908)	($156,877)	($270,322)

SOURCE: HIISD Annual Financial Reports, 2000-01 through 2004-05.

one such letter dated January 9, 2006, TEA wrote, "Our review of the financial statements indicates the district still has a marginal fund balance, even though the decline in fund balance during the year of audit did not result in a deficit. According to the financial statements, the district's General Fund Balance declined from $55,092 at the beginning of the year to $45,023 as of August 31, 2004. The General Fund balance amounts to less than one month's expenditures of approximately $200,000 according to the statement of optimum fund balance. If this trend continues in the next fiscal year, there is serious potential for a General Fund deficit. The board of trustees should monitor expenditures carefully and take action as needed to prevent future potential deficits."

An insufficient fund balance leaves the district without a ready source of funds in emergency situations, a lack of reserves to fund capital replacements, and the requirement to borrow funds to meet current operational needs. Districts with sound financial practices regularly evaluate the fund balance, and designate funds to cover cash flow deficits and other district needs. **Exhibit 3-13** contains the optimum fund balance calculations taken from peer districts' *Annual Financial Reports* for Fiscal Year 2003–04.

Exhibit 3-13 shows that each district has designated fund balance to cover cash short falls, and Vega ISD and Whitharral ISD have designated fund balance for other purposes.

The district superintendent should develop a plan to manage the fund balance. The plan should consider the district's long-range needs as well as an evaluation of the factors contributing to the district's low fund balance. This evaluation will require securing the services of an outside consultant to help determine the financial effect of accepting tuition-free transfer students. In addition, budget development should include a review of how budget decisions will affect the fund balance. The finance officer and superintendent should develop a board presentation on the status of the fund balance. After the report is delivered, the board and superintendent should develop a fund balance management plan. The plan should include procedures for informing the board of the effect of budget amendments on the fund balance. In this manner, the staff would monitor the fund balance and make the board aware of the district's financial position on an ongoing basis.

This recommendation can be implemented for a one time cost of $4,356. TASBO provides management services, and estimates that an evaluation of the cost of accepting transfer students would be $3,000 plus travel expenses. Travel expenses for two persons for three days, and for one person for one day, is estimated at $1,356 ($3,000 + $1,356).The financial result of eliminating the LOHE is covered elsewhere in this report.

BUSINESS OFFICE INTERNAL CONTROL (REC. 25)

HIISD's Business Office lacks documented procedures and adequate internal controls to minimize errors and safeguard district funds.

Responsible for the business tasks, the payroll and finance officers have established procedures and forms to facilitate their work but have not segregated duties to ensure adequate internal controls. Nor have they documented or shared their procedures with other district staff.

EXHIBIT 3-13
PEER DISTRICTS OPTIMUM FUND BALANCE CALCULATIONS

	FISCAL YEAR 2003–04			
EXPLANATION	**CHESTER ISD**	**SILVERTON ISD**	**WHITHARRAL ISD**	**VEGA ISD**
Beginning Fund Balance	$447,815	$223,700	$551,853	$2,153,566
Reserved Fund Balance	$0	$11,284	$2,266	$0
Designated Fund Balance	$0	$0	$500,000	$1,125,000
Amount designated to cover fall cash flow deficits	$159,727	$131,877	$161,662	$813,855
Estimate of one month cash disbursement	$215,124	$141,379	$0	$232,530
Estimate of delayed payments from state sources	$127,980	*	*	*
Optimum Fund Balance	$502,831	$284,540	$663,928	$2,171,385
Excess (Deficit) Unreserved Fund Balance	($55,016)	($60,840)	($112,075)	($17,819)

* Data not available.
SOURCE: Peer Districts, Annual Financial Reports, 2003-04.

FASRG, Section 1.5.1, defines internal control as "a process - effected by an entity's board of trustees, management and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- reliability of financial reporting;
- effectiveness and efficiency of operations; and
- compliance with applicable laws and regulations."

Control of activities is considered a component of good internal controls, and is defined in *FASRG, Section 1.5.1.3*, as "the policies and procedures that help ensure that management directives are carried out." One element of control of activities includes the segregation of duties ensuring that no one individual is solely responsible for carrying out a process from beginning to end.

In HIISD, the payroll officer establishes new employee records and salaries, processes payroll, and reconciles the related bank account. This process starts with a verbal notification from the superintendent to the payroll officer that an employee has been hired. The notification is not followed up with a written form. The payroll officer determines salary by reviewing the new employees' transcript, normally asking the finance officer to check the calculations; however, this is not required. The payroll officer then enters the employee's information into the payroll software system. After the employee is established in the system, the payroll officer processes the payroll. The payroll officer enters payroll information, makes adjustments for leaves and absences, and computes substitute pay. An edit listing is generated prior to final payroll processing. The payroll officer reviews the edit listing prior to generating paychecks, but it is not reviewed by another person. At the end of each month, the payroll officer reconciles the payroll-related bank accounts. This process allows the payroll officer to control everything from determining pay to bank account reconciliation.

Additional examples of the lack of segregation of duties are that the finance officer enters accounts payable invoices and issues the related payment checks from the local maintenance account; receives and deposits Food Service receipts into the same account without providing the Food Service manager with any accounting of the deposits; and reconciles the local maintenance bank account.

Exhibit 3-14 displays the lack of segregation of duties in the major tasks performed by the payroll and finance officers.

Exhibit 3-15 lists HIISD bank accounts, individual or organization generating checks, and the person responsible for account reconciliation.

HIISD exercises some control over check disbursal by providing the board with a computer-generated listing of monthly checks. The list is generated after the checks have been issued and and does not provide an adequate safeguard.

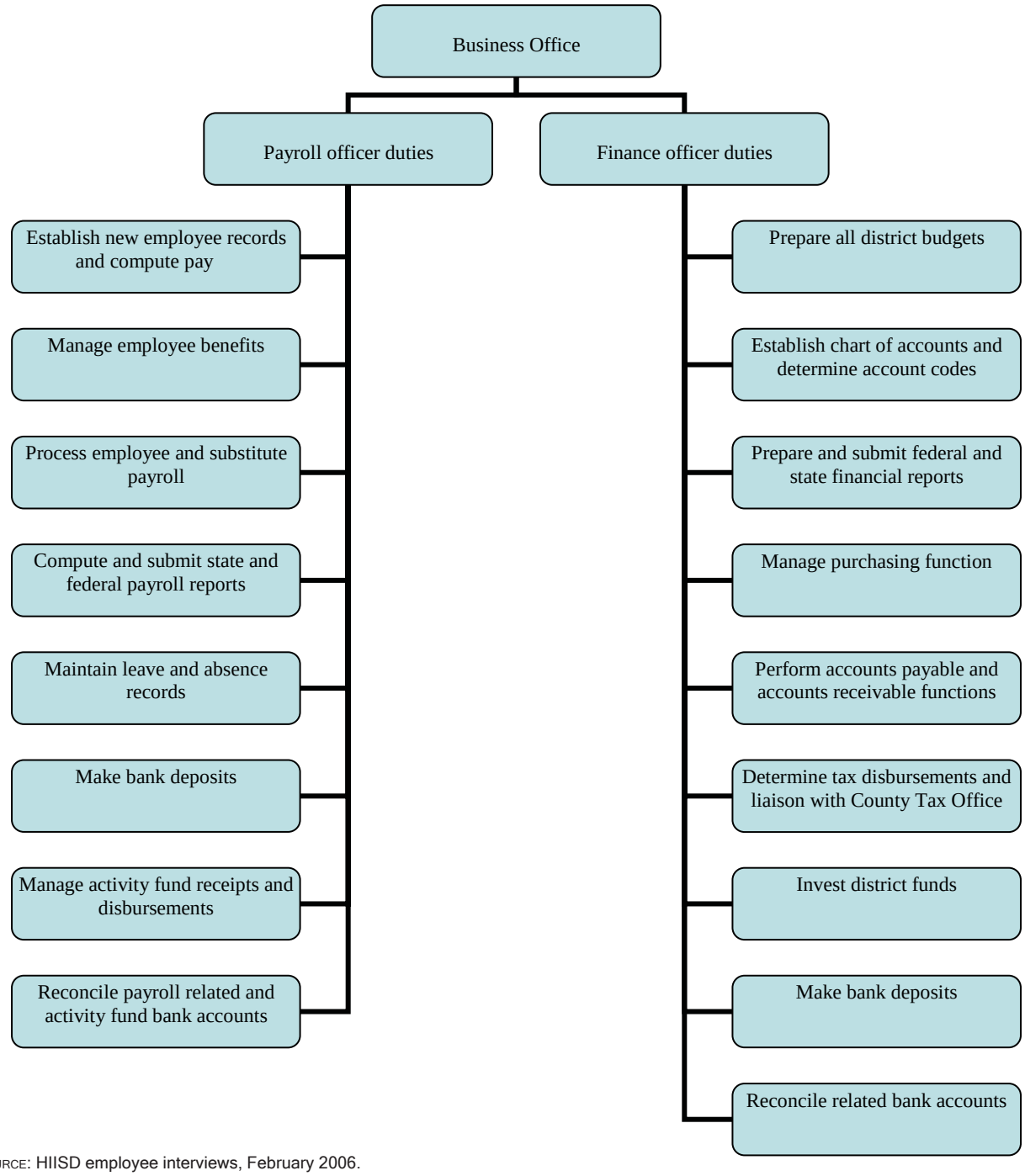
The district's failure to document procedures and practice good internal control can result in calculation errors, computer input errors, and places the district at risk of fraud.

Many districts establish and document procedures incorporating the elements of good internal control. They take care that all new hires and payroll changes are documented and approved by a supervisor; payroll calculations are checked and verified; payroll and accounts payable input edit documents are reviewed by a disinterested party; and bank statements are reconciled by a person that does not produce checks from the account. A strong system of internal control enables a district to make sure that resources are properly handled, properly used, and that those resources are available for management and the board's designation.

The *FASRG, Section 4.6.3.4, Communication and Information*, states, "Top management should deliver a clear message to school district personnel that control responsibilities must be taken seriously. School district personnel must understand their own role in the internal control system, as well as how individual activities relate to the work of others."

HIISD should establish Business Office internal control procedures that segregate payroll and finance duties and safeguard district assets. Segregation of duties not only protects the district, it protects employees from being wrongfully accused of theft. The superintendent should develop written Business Office procedures that at a minimum require written approval of the superintendent prior to establishing a new employee in the payroll system; a process for reviewing payroll calculations; a form for approving payroll changes; a process for reviewing payroll and accounts payable computer generated edits by a person other than the originator; and the transfer of bank statement reconciliation duties to a party other than the one who entered payment information.

EXHIBIT 3-14
HIISD PAYROLL AND FINANCE OFFICER DUTIES



SOURCE: HIISD employee interviews, February 2006.

PAYROLL OVERTIME AND RECORDKEEPING (REC. 26)

HIISD's employees are not familiar with the payroll recordkeeping and overtime pay requirements of the United States Department of Labor's FLSA. In addition, the district has not established procedures to identify employees subject to the FLSA and who should receive overtime for hours worked in excess of 40 hours during a one-week period.

Certain district employees are exempt from the FLSA requirements. For example, district administrators and teachers are considered exempt from the FLSA because of

EXHIBIT 3-15
HIISD BANK ACCOUNT INFORMATION

ACCOUNT NAME	PURPOSE OF ACCOUNT	RESPONSIBLE FOR PRODUCING CHECKS	RESPONSIBLE FOR RECONCILIATION
Activity Fund	Student activity fund receipts and disbursements	Payroll officer	Payroll officer
Local Maintenance	General operations receipts and disbursements	Finance officer	Finance officer
Local Maintenance Special Account	Sweep account	N/A	Finance officer
Payroll Fund	Payroll related disbursements	Payroll officer	Payroll officer
Spending Account	Section 125 Flexible Spending Account receipts and disbursements	AFLAC	Payroll officer
Tax Fund	Tax receipts and disbursements	Finance officer	Finance officer
Workers' Compensation Fund	Reimbursement for workers' compensation administration and claims	Claims Administrative Services	Payroll officer

SOURCE: HIISD bank account statements and HIISD employee interviews.

their specialized academic training. They are not required to be paid overtime, while paraprofessional and auxiliary employees are usually classified as nonexempt and must be paid, or receive, comp-time at the time and one-half rate. The payroll officer is not familiar with the FLSA requirements and said that HIISD does not pay overtime for hours worked in excess of 40 hours per week. Instead, they have a compensatory time (comp-time) off system allowing employees to use their accumulated compensatory time on a one-for-one basis. The FLSA makes a special allowance for employees of state and local government agencies and allows the use of compensatory time off instead of cash overtime pay under certain conditions. The conditions require that employees receive comp-time off at a rate of no less than one and one-half hours for each overtime hour worked. HIISD's one hour of comp-time off for each overtime hour worked does not meet this requirement.

HIISD has 19 full-time employees considered non-exempt and subject to the wage, overtime, and recordkeeping requirements of the FLSA. **Exhibit 3-16** lists the classification, assignment, number assigned, and number performing extra duty for HIISD's non-exempt employees.

Of the 19 non-exempt employees listed in **Exhibit 3-16**, five routinely perform extra duties that periodically require them to work in excess of 40 hours per week. **Exhibit 3-17** displays an example of a one-week period for three HIISD employees who are custodians and also drive a school bus.

Exhibit 3-17 shows that two employees worked in excess of 40 hours during the week. FLSA requires that these employees be paid or receive comp-time at one and one-half times their regular rate of pay. Instead, the district's normal practice is to allow these employees to take comp-time on a one-hour off for one-hour worked basis. In addition, bus drivers are paid by the route without an hourly pay adjustment if the route takes more or less time than normal.

HIISD has a form for tracking comp-time but does not check that it is adequately completed. The form is designed

EXHIBIT 3-16
HIISD NON-EXEMPT EMPLOYEES

CLASSIFICATION	ASSIGNMENT	NUMBER ASSIGNED	NUMBER PERFORMING EXTRA DUTY ASSIGNMENTS
Auxiliary	Maintenance/Custodial	6	3
Auxiliary	Food Service	4	0
Paraprofessional	Clerical	4	1
Paraprofessional	Educational Aide	5	1
TOTAL		**19**	**5**

SOURCE: HIISD payroll records and employee directories, February 2006.

EXHIBIT 3-17
HIISD TOTAL HOURS WORKED FOR THE WEEK BEGINNING OCTOBER 24, 2005

CUSTODIANS	HOURS WORKED	MINUTES WORKED
Employee #1	44	55
Employee #2	35	0
Employee #3	44	50

SOURCE: HIISD maintenance/custodial sign-in sheet, October 2005.

to show the prior month's balance, employee's name, a record of additional time worked, comp-time taken, total hours/minutes earned, and signature lines for the employee and supervisor. Of the four worksheets submitted to the Business Office in November, only one was signed by the employee, and none were signed by a supervisor. **Exhibit 3-18** displays one employee's record of additional time worked, and comp-time taken.

The worksheet does not show whether additional time worked and comp-time taken occurs within the same workweek and is therefore not subject to the FLSA overtime requirements. In addition, the form does not identify overtime worked in excess of the 40-hour weekly requirement.

EXHIBIT 3-18
COMP-TIME WORKSHEET RECORD OF COMPENSATORY TIME

DATE	MIN/HRS WORKED	FROM/TO TIME	DESCRIPTION OF WORK
12/02/05	3.50	4:30-8:00	Basketball
12/05/05	2.50	4:30-7:00	Basketball
12/13/05	3.00	5:00-8:00	Basketball
12/14/05	(4.00)	9:30-1:30	Left early
12/22/05	(0.50)	2:00-2:30	Left early
12/29/05	(2.50)	12:00-2:30	Left early

SOURCE: HIISD comp-time worksheet, December 2005.

The FLSA requires employers to keep the following records for each non-exempt worker:

- employee's full name and social security number;
- address, including zip code;
- birth date, if younger than 19;
- sex and occupation;
- time and day of week when employee's workweek begins;
- hours worked each day;
- total hours worked each workweek;
- basis on which employee's wages are paid (e.g., "$6 an hour", "$220 a week", "piecework");
- regular hourly pay rate;
- total daily or weekly straight-time earnings;
- total overtime earnings for the workweek;
- all additions to or deductions from the employee's wages;
- total wages paid each pay period; and
- date of payment and the pay period covered by the payment.

Although HIISD keeps the majority of the required records, it fails to maintain a record of the hours worked by paraprofessionals.

The district has one paraprofessional who performs extra-duty as the cheerleader sponsor and is paid a $1,800 stipend for the school year. She does not submit timesheets for her normal assignment hours or for the extra-duty hours worked. The district has made no attempt to keep accurate records of the time involved in performing these extra duties, or to tie the stipends to the employees' normal rate of pay. Therefore, it is not possible to determine if the employee is receiving the required overtime pay for performing these duties.

HIISD's failure to comply with the requirements of the FLSA places the district at risk of not paying employees the proper amount for their overtime work and can subject the district to fines and other damages.

The FLSA website states, "Employers who willfully or repeatedly violate the minimum wage or overtime pay requirements of the FLSA are subject to civil money penalties of up to $1,000 per violation." The site additionally states, "The Department of Labor may also bring suit for back pay and an equal amount in liquidated damages."

The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for employers subject to its provisions, including public agencies. Section 3 (S) (1) (C) of the FLSA covers all public agency employees of state and political subdivisions of a state. HIISD is considered a

political subdivision of the state of Texas and is subject to the FLSA. The FLSA requires employers to:

- pay at least the federal minimum wage of $5.15 an hour to all covered non-exempt employees for all hours worked;
- pay at least one and one-half times the employees' regular rates of pay for all hours worked over 40 in the workweek;
- comply with the child labor standards; and
- comply with the recordkeeping requirements.

HIISD should evaluate payroll recordkeeping and overtime procedures to ensure compliance with all federal and state requirements. The superintendent and payroll officer should read the requirements of the FLSA and identify all employees who are subject to the requirements of the law. The requirements are available on the U.S. Department of Labor's website. In addition, the district should further review their existing practice of paying a flat rate per bus route to ensure that bus drivers are paid according to the number of hours worked in the district. The superintendent should work with the payroll officer to develop recordkeeping and overtime reporting procedures complying with FLSA requirements. The payroll officer should inform employees of the procedures, and should attend payroll updates provided by Region 5, professional organizations, and state and federal agencies. Many of these updates are available at no cost to the district.

TEACHERAGES (REC. 27)

HIISD offers teacher housing as a method for attracting teachers to the district, but the board has not established policies for determining the fair market value of the rental properties and whether it is a taxable benefit for the teachers.

The district owns nine teacherages, or houses, and two mobile home lots that are available for rent to teachers, due to a lack of available housing in High Island, and because the beach front/vacation properties in neighboring communities are very expensive. HIISD rents the houses with central air for $225 a month and those with window-cooling units for $125 a month, and the mobile home lots for $50 a month. The rent is based on what the district calculates as fair based on the property values calculated by the Texas Association of School Boards for insurance coverage. Seven of the nine houses are currently rented to teachers; one is the superintendent's residence and another is rented by the board president's son at the same rate charged to the teachers. One of the mobile home lots is rented by a teacher and the other is vacant. The board president said that teachers get priority, but the properties are available to community members to rent if there is no teacher interest in a particular site. The finance officer said that the lease agreement stipulates that teachers are given priority, and that vacant properties will be made available to community members at the same rental cost with the understanding that if a teacher wants the property the community member must vacate it within 30 days.

If HIISD is renting the houses to teachers at less than the fair market value, the difference in the fair market value and the actual rent charged should be considered compensation and reported as such to the Internal Revenue Service (IRS), the Teacher Retirement System (TRS), and TEA. The district has not determined each property's fair market value, nor has the board adopted policies to determine whether the properties it rents to teachers are a taxable benefit and should be reported as such.

IRC Section 61 and Income Tax Regulation Section 1.61 define gross income as including the difference between the fair rental value and the actual rent charged by employers stating the difference should be recognized and reported as income. For example, if property could rent for $300 per month, but the district chooses to rent the property to an employee for $100, then the $200 difference is additional gross income which must be included in the employee's income. By not determining if there is a rental incentive (additional gross income), the district is at risk of incorrectly reporting employee income.

The board should adopt policies delineating how the district determines fair market value on its rental properties and whether it is a taxable benefit to employees. The policies should also address the circumstances under which the properties will be made available to the general community.

STUDENT ACTIVITY FUNDS (REC. 28)

HIISD has not established procedures to close inactive student activity accounts as required in district policy.

HIISD maintains 44 activity accounts representing student groups, various sports, teachers, and general campus administration. Twenty-one of the accounts are inactive and have had no activity during 2005–06. **Exhibit 3-19** lists the balances in the inactive student activity accounts.

EXHIBIT 3-19
HIISD INACTIVE STUDENT ACTIVITY ACCOUNTS

ACTIVITY ACCOUNT	STATUS	BALANCE
Accelerated Reader	Inactive	$83.69
ATPE	Inactive	194.47
Close-Up	Inactive	212.70
Elementary Playground	Inactive	1.13
Faculty	Inactive	0.04
FCA	Inactive	1,290.50
FHA	Inactive	321.02
General Athletic Fund	Inactive	5.00
Marine Biology	Inactive	206.50
Melvin Byrd Memorial	Inactive	50.00
Power Lifting	Inactive	(674.00)
PSAT	Inactive	75.50
Rachel Hughes Memorial	Inactive	200.00
Senior's 1999	Inactive	145.50
Senior's 2001	Inactive	61.79
Senior's 2002	Inactive	385.06
Senior's 2003	Inactive	42.68
Senior's 2005	Inactive	1,021.84
Tennis Courts	Inactive	350.00
Tennis Team	Inactive	612.62
Tuition	Inactive	4.00
TOTAL		**$4,590.04**

SOURCE: HIISD listing of activity accounts and balances, February 8, 2006.

FASRG, Section 5.5, Activity Fund Accounting, defines activity funds as, "funds consisting of resources received and held by the school as trustee to be expended or invested in accordance with conditions of the trust. Specifically, they are funds accumulated from various school-approved money-raising activities and the receipt of student dues or fees, commissions, investment interest, and donations. These funds are to be used to promote the general welfare of the school and the educational development and morale of all students. All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts."

The procedures for managing the receipts and disbursements from student activity funds are contained in the HIISD Employee Handbook and are followed by district personnel, but the handbook does not contain procedures for closing out inactive accounts.

HIISD Policy CDF (LOCAL) requires that inactive accounts be closed, stating in the section entitled Carryover Funds, "All funds shall be left in the appropriate account and each sponsoring group shall retain the carryover funds for the next fiscal year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account."

By failing to close inactive activity accounts the district increases bank reconciliation time and fails to utilize the funds available in the accounts. Reconciliation of the activity fund requires listing all accounts and their balances, totaling the individual balances to determine cash in the bank, using the checkbook to prepare a listing of outstanding checks, and then balancing the account.

HIISD should close all inactive student activity accounts and credit the balances to the appropriate account as determined by campus administration. The superintendent should ask the Business Office to prepare a list of all inactive accounts, review the list, and determine if any accounts should remain open.

BANK ACCOUNT INVESTMENTS (REC. 29)

HIISD does not centralize all of its bank balances into an interest earning account to ensure that all idle funds are receiving interest. It maintains a total of seven accounts and only one earns interest.

The majority of district funds are deposited into and disbursed from the district's local maintenance bank account. HIISD's depository requires the district to maintain $100,000 in compensating balances in this account. This balance is used to offset the cost of bank services provided to the district. All funds remaining in the local maintenance account in excess of the $100,000 requirement are tied to a local maintenance special (sweep) account, which pays interest based on the prior month's average 91-day U.S. Treasury Bill weekly auction rate less 25 basis points (25 basis points is equal to one-quarter of one percent). The district's depository contract with the bank does not provide for sweeping all the other accounts into the Local Maintenance Special Account.

Exhibit 3-20 lists each of the district's seven bank accounts, its purpose and balance.

The payroll fund and workers' compensation fund bank accounts are used only to clear disbursements. For example, if the monthly gross payroll amounts to $128,000, the district would deposit $128,000 into the payroll account and issue

EXHIBIT 3-20
HIISD BANK ACCOUNTS AND BALANCES

ACCOUNT NAME	PURPOSE OF ACCOUNT	BALANCE DECEMBER 31, 2005
Activity Fund	Student Activities	$31,955
Local Maintenance	General Operations	100,000
Local Maintenance Special Account	Local Maintenance Sweep Account	279,632
Payroll Fund	Payroll Clearing	447
Spending Account	Section 125 Flexible Spending Account	6,736
Tax Fund *	Tax Receipts and Debt Service	84,391
Workers' Compensation Fund	Workers' Compensation Administration and Claims	954
TOTAL		**$504,115**

*Tax Fund balance reflects bank statement as of 11/30/2005.
SOURCE: HIISD Bank Statements,December 2005.

checks and other disbursements from this account. As the disbursements clear the bank, the account would be reduced to zero.

The spending account and activity fund account are considered trust accounts as HIISD holds the funds in these accounts in trust for others. Activity funds are earned by and used to support student groups while the spending accounts funds are used to pay employee medical reimbursement claims.

HIISD uses the tax fund account to pay its bond principal and interest. Most districts title this account the debt service, or interest and sinking account. HIISD also uses this bank account for the direct deposit of Galveston County property tax receipts. The local maintenance tax portion is then transferred from this account to the local maintenance bank account.

With its current depository agreement, HIISD does not earn interest on the activity fund, payroll fund, spending account, tax fund or workers' compensation fund. **Exhibit 3-21** uses the bank accounts as of 12/31/2005 to show that the district is not maximizing its potential for earning interest.

EXHIBIT 3-21
HIISD BANK NON-INTEREST EARNING ACCOUNT BALANCE

DESCRIPTION	AMOUNT
Bank Account Balances as of 12/31/2005	$504,115
Less:	
Compensating Balance	(100,000)
Local Maintenance Sweep Account Balance	(279,632)
Balance That is Not Earning Interest	$124,483

SOURCE: HIISD Bank Statements, December 2005.

The School Review publication, *Banks to Bonds: A Practical Path to Sound School District Investing*, states in Chapter 9, Negotiate Depository Contracts That Maximize Returns, "Depository contracts should also address how excess funds will be handled. The idea is to let the banking structure work for you. The amount of interest the bank pays on account balances are critical. What kinds of accounts can be used to keep balances low so that every possible dollar can be invested in higher yield instruments? An account structure that uses sweep accounts can keep assets earning at market rates daily and minimizes the amount of collateral required by the bank."

HIISD should maximize its interest yield by working with the depository bank to centralize all of the account balances into an interest earning account. The superintendent should request the depository contract be amended to include sweeping all bank account balances into the Local Maintenance Special Account. If the bank does not agree to the amendment, the district should make arrangements to directly deposit all tax receipts into a governmental investment pool. The local tax share should be transferred to the local maintenance bank account, while the debt service share should remain invested in the investment pool until bond payment is due.

The fiscal impact of the increased interest resulting from this recommendation is calculated by using one half of the district's bonded debt payment. Since HIISD collects the majority of its taxes by the end of January and the first debt payment is due in early spring, it can be assumed that the district would have sufficient funds on hand by the end of January to pay its annual bonded debt and that half of the annual amount would be available to invest until the last debt payment is due. One half of the district's annual bonded

debt is $93,616. This amount invested at 4.4 percent would yield $4,119 annually ($93,616 x .044) for an estimated five-year total of $20,595.

PUBLIC FUNDS INVESTMENT ACT (REC. 30)

HIISD does not comply with the training, reporting, and review requirements of the PFIA contained in Chapter 2256 of the Government Code. Specifically, the superintendent has not completed any of the required training; the finance officer failed to comply with the continuing education requirement; the district has not completed and presented quarterly investment reports to the board of trustees; and the board failed to complete the required annual review of the district's investment policy and investment strategy.

The superintendent and finance officer are HIISD's investment officers. The current superintendent assumed his position in July 2004, but did not attend the required 10 hours of investment training within 12 months after taking office and has not attended any subsequent investment training. The finance officer handles the investments without informing the superintendent of the specific investments. The finance officer has completed eight hours of investment training, three hours in 1997, and an additional five hours of training in 2003. Consequently, the finance officer is also not in compliance with the PFIA requirement of 10 hours of initial investment training and additional investment training of a minimum of once in a two-year period.

HIISD invests a small amount of money in a public funds investment pool, but the investment officers have not prepared or presented the board with the required quarterly investment reports. In addition, the HIISD board has not adopted an annual written instrument stating that it has reviewed the investment policy and investment strategies as required by the PFIA and HIISD Policy CDA (LEGAL).

District investment officers who fail to obtain the required investment training cannot adequately guarantee the district's investment program is in compliance with federal, state and local laws or policy. Furthermore, failure to complete and present quarterly investment reports to the board places the board in noncompliance with both the PFIA and board policy requiring an annual review of the investment policy and investment strategies by the board.

In 1994, Orange County, California, went bankrupt attempting to leverage its finances through exotic, interest-rate-sensitive investments. To ensure this would not happen to Texas governmental entities, the Texas Legislature revised the Texas PFIA to place new safeguards on the investment of public funds by governmental agencies. The revised act included new training, reporting, and review requirements. The new requirements help to ensure that government personnel are trained to make sound investment decisions, that the board and administration are both informed and monitoring investment activity, and that policies and procedures are reviewed annually.

HIISD's Policy CDA (LEGAL), which incorporates the requirements of the Public Funds Investment Act, states, "The Board shall designate one or more officers or employees as investment officer(s) to be responsible for the investment of its funds." The policy then establishes the following training requirement for investment officers: "Within 12 months after taking office or assuming duties, the treasurer or chief financial officer and the investment officer of the district shall attend at least one training session from an independent source approved either by the board or by a designated investment committee advising the investment officer. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. The treasurer or chief financial officer and the investment officer must also attend an investment training session not less than once in a two-year period and receive not less than ten hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the board or a designated investment committee advising the investment officer."

HIISD Policy CDA (LEGAL) also requires that, "Not less than quarterly, the investment officer shall prepare and submit to the board a written report of investment transactions for all funds covered by the Public Funds Investment Act. This report shall be presented to the board and the superintendent not less than quarterly, within a reasonable time after the end of the period. The report must:

- contain a detailed description of the investment position of the district on the date of the report;
- be prepared jointly and signed by all district investment officers;
- contain a summary statement for each pooled fund group (i.e., each internally created fund in which one or more accounts are combined for investing purposes). The report must be prepared in compliance with

generally accepted accounting principles and must state:

- beginning market value for the reporting period;
- additions and changes to the market value during the period;
- ending market value for the period; and
- fully accrued interest for the reporting period;

- state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
- state the maturity date of each separately invested asset that has a maturity date;
- state the account or fund or pooled group fund in the district for which each individual investment was acquired; and
- state the compliance of the investment portfolio of the district as it relates to the district's investment strategy expressed in the district's investment policy and relevant provisions of Government Code, Chapter 2256."

In addition, HIISD Policy CDA (LEGAL) includes the PFIA requirement stating, "The investment policy and the investment strategy shall be reviewed not less than annually. The board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies."

HIISD should protect district funds by complying with the training, reporting, and review requirements of the PFIA. The superintendent and finance officer should complete all training requirements contained in the PFIA, prepare the required investment reports, and present them to the board for quarterly review. The superintendent and board should review HIISD's investment policies and investment strategy annually. This practice will provide the board with sufficient warning about potential problems with the portfolio, allowing corrections to be made timely.

The superintendent can implement this recommendation by scheduling investment training for himself and the finance officer, ensuring that the required reports are prepared and presented to the board quarterly, and making sure that the board reviews investment policy and strategies annually. The reporting and review of recommendations can be implemented at no cost to the district. Most public funds investment pools provide their participants with a quarterly position report containing all the information needed to prepare quarterly reports for pool participants. Investment training is conducted across the state and should be available in the Houston area. Most training provided by investment pools is conducted free of charge, while training provided by professional organizations costs $155 per six hour course. First year training costs for the superintendent and finance officer is $800 [($155 x 2 courses + $90 travel) x 2 persons]. Continuing training will cost $800 every other year [($155 x 2 courses + $90 travel) x 2 persons]. The five-year cost is estimated at $2,400.

FIXED-ASSET CONTROL (REC. 31)

HIISD lacks an adequate process for tracking or completing an annual inventory of fixed-assets. District staff used to tag fixed-asset items, but that system was not maintained because students pulled off most of the tags.

The finance officer maintains an old listing of fixed and controlled assets. The listing was generated from the district's old version of the Regional Service Center Computer Cooperative (RSCCC) business service system software. In 2003, HIISD converted to a new version of RSCCC business services software requiring re-entry of previous fixed-asset information into the new system. District staff has not updated the new system with previous fixed-asset information, neither have they entered current asset information into the new version. They have not conducted an inventory of fixed-assets since 2003. The new version of RSCCC business system software contains an asset management application, which allows for accurate accounting of districts' capital and inventory assets. The application contains a number of features which can provide current information on the quantity, location, age, and life expectancy of the assets. Once the data is entered, the new system provides 14 different asset management reports, which can be used to conduct inventories, set insurance values, and list depreciation.

Although HIISD has adopted Policy CFB (LOCAL) on "Accounting Inventories" establishing a capitalization threshold for the purpose of classifying capital assets of $1,000 and $5,000 for infrastructure assets, the policy does not reflect the TEA *FASRG* $5,000 capitalization guidelines. In addition, it contains no requirement for maintaining, tracking, or controlling equipment for accountability purposes.

The Governmental Accounting Standards Board issued statement 34 (GASB 34) establishing financial reporting standards for state and local governments. GASB 34 requires governments to report and depreciate capital assets, and TEA requires all districts to comply with GASB 34. HIISD's external auditors, with the aid of the finance officer, are maintaining basic reports of fixed-asset additions, deletions and depreciation. The district is keeping this information on hand-generated ledgers, and the external auditor has informed both district management and the finance officer that the district must have an up-to-date computerized fixed-asset system by the end of 2005–06.

As a result of its inadequate process for maintaining fixed-asset records, HIISD cannot:

- provide information on the type, cost, location, and condition of assets;
- access information that would facilitate compliance with GASB 34 by tracking the original cost, depreciation, and depreciated value of capitalized assets;
- easily obtain information on the age and cost of assets for insurance coverage or loss claims;
- readily develop capital replacement schedules;
- provide teachers with a list of classroom equipment; and
- have information to conduct a fixed-asset inventory to determine if assets are missing, or have been disposed of.

FASRG Section 1.2.4.2, Basis of Capital Assets, defines fixed-assets as items a district has purchased or had donated that are tangible in nature, have a useful life longer than one year, are worth $5,000 or more, and may be reasonably identified and controlled through a physical inventory system. *FASRG* requires assets costing $5,000 or more to be capitalized. Items costing less than $5,000 are recorded as an operating expense of the appropriate fund under TEA guidelines. These guidelines also allow districts to establish lower thresholds for control and accountability of equipment costing less than $5,000. For example, computer and audiovisual equipment costing less than $5,000 may not be capitalized, but a listing of such assets and their location may be maintained for control and accountability purposes.

FASRG Section 1.2.4.7, Control of Capital Assets, states, "In addition to entries involving the general ledger accounts, detailed subsidiary records should be maintained to maximize the control of capital assets. These records should include the following information as a minimum:

- the item purchased;
- date of purchase;
- purchase price;
- life expectancy;
- location number;
- inventory number;
- fund from which purchased; and
- other information that may be useful for control.

FASRG Section 1.2.4.8, Inventory of Capital Assets, states, "Certain capital assets, such as furniture and equipment, should be inventoried on a periodic basis. Annual inventories taken usually at the end of the school term before the staff members leave are recommended. Discrepancies between the capital asset/inventory list and what is on hand should be settled. Missing items should be listed and written off in accordance with established policy."

The School Review publication *Top 10 Ways to Improve Public Schools* provides districts with a description of fixed-assets, reasons to keep accurate accounting records, and explains why all valuable items should be maintained on a control log and inventoried annually. Benefits of tracking fixed-assets include:

- fixed-asset records furnish taxpayers with information about district investments and contrast them with expenditures;
- fixed-asset records provide the basis for adequate insurance coverage;
- systematic physical inventories of fixed-assets allow the district to survey the physical condition of its assets and assess the need for repair, maintenance or replacement;
- periodic inventories establish a system of accountability for custody of individual items;
- for budgeting, reliable information about fixed-assets can help determine future requirements; and
- periodic inventories identify lost or stolen items so that insurance claims can be filed, additional controls can be instituted, and accounting records can be adjusted to reflect the losses.

HIISD should develop formal fixed-asset procedures including requirements for maintaining a computerized listing of fixed-assets and conducting an annual inventory of all fixed-assets. The superintendent should work with the board to revise district Policy CFB (LOCAL) Accounting Inventories. The superintendent can obtain examples of other districts' CFB (LOCAL) policies from the Texas Association of School Boards, Inc., Policy Service Division. The updated policy should contain:

- a description of a fixed-asset;
- the capitalization level of $5,000 for fixed-assets;
- a definition of an expensed but controllable fixed-asset;
- a requirement for maintaining all fixed-assets on a software system that tracks as a minimum the description, cost and location of each asset or asset class;
- the requirement for an annual inventory; and
- the responsibility for conducting the inventory.

The superintendent should use the policy to write fixed-asset procedures encompassing the requirements of the policy. The finance officer should immediately enter historical asset data into the RSCCC asset management application system. Once entry is complete, the district should use the computer-generated reports to aid in conducting a fixed-asset inventory. The superintendent should work with staff to reconcile any discrepancies resulting from the inventory. After completing the inventory, the Business Office should consider the costs versus the benefits of tagging HIISD assets. It should also establish an accountability process for assets valued at less than $5,000, to include, for example, a list of assets assigned to each classroom, department, or office indicating staff responsibility for these items. This recommendation can be implemented within the district's supply budget.

WORKERS' COMPENSATION PROGRAM (REC. 32)

HIISD does not have a process to evaluate and monitor its workers' compensation program to ensure it has the most cost-effective program.

School districts are required by law to extend workers' compensation benefits to employees and can provide these benefits through self-funding, purchasing an insurance policy, or entering into an interlocal agreement with other political subdivisions for a self-insurance risk pool. In November 2000, HIISD chose to enter into an interlocal agreement with the East Texas Educational Insurance Association Self-Funded Workers' Compensation Program self-insurance risk pool. Claims Administrative Services, Inc. CAS is designated as the plan supervisor and third party administrator (TPA) for the program. The district has participated in the workers' compensation program for five years.

As a participant in the self-insurance risk pool, HIISD becomes a plan sponsor—meaning it assumes liability for the payment of workers' compensation benefits to its employees directly through the fund, not through insurance. The district is responsible for claim costs paid through their proportionate contribution to the fund. Proportionate contribution is the total amount a plan sponsor must contribute in fixed costs and in the loss fund maximum. The interlocal agreement defines these costs as:

- Fixed costs are the amount a plan sponsor must pay to the plan supervisor for the administration of claims, loss control, record keeping, and the cost of excess insurance as set forth in the plan sponsor addendum. Excess insurance is an insurance contract between the plan and a qualified insurance company providing coverage to indemnify the plan for a claim in excess of the single occurrence self-insurance retention maximum from any one plan sponsor's employee(s) or total claims that exceed the combined loss fund maximums of all plan sponsors, within the aggregate limits of the insurance contracts.
- Loss fund maximum is the amount a plan sponsor must set aside from available appropriations, other than itemized salary appropriations, in a separate account in the records of the plan sponsor for the plan sponsor's self-insurance liability not covered by excess insurance, as set forth in the plan sponsor addendum.

HIISD's renewal rates do not include any information on how its proportionate contribution is calculated for the year, nor does the district have any information on the financial stability of the program. As a plan sponsor of the self-insurance pool, HIISD has assumed an ownership interest in the program.

HIISD lacks procedures for reviewing available options for workers' compensation programs or evaluating the current program. It selected the current workers' compensation coverage in 2000 without an evaluation process for identifying which program would best meet the district's needs. On June 14, 2005, the superintendent renewed the current program

for three years, effective September 1, 2005, rather than completing the final year of its current three-year contract. As a result, HIISD will receive a discount of 5 percent for each year of the new three-year term. The agreement extended the original interlocal agreement through September 1, 2008. The district has no documentation indicating that legal counsel reviewed the interlocal agreement, or that the district reviewed the audited financial status of the self-insurance fund for which the district has assumed some liability as a plan sponsor. The district also lacks information regarding the excess insurance coverage indemnifying the Plan for a claim exceeding their maximum loss-fund amount.

Exhibit 3-22 illustrates HIISD's workers' compensation claims history, which are minimal and have declined since 2001–02.

Exhibit 3-23 provides the dollar amount paid in fixed costs and loss-fund maximum for years 2001–02 through 2005–06 for workers' compensation coverage.

The incurred-to-date amount is the amount of HIISD losses actually paid by the fund, plus related administrative expenses and reserves set aside in anticipation of future losses for the claims already reported for that claim year. The contribution includes the fixed cost and maximum loss-fund amount HIISD has paid to the fund for the plan year. Although during 2002–03 through 2004–05 the district incurred no claim-costs-to-date, the total annual contribution increased slightly for subsequent years.

HIISD does not actively monitor its program to ensure that it receives all of the services provided in the contract. The contract states the plan supervisor will provide the district with a professional safety engineering program, including written guidelines for safety and loss control procedures. TPA's administrative manual further states the TPA staff will provide assistance in training, physical inspections, and surveys to assess the level of client compliance with the written safety program and generally accepted safety practices. The TPA's administrative manual, under "*Safety and Loss Control Services,*" states the following:

> Loss control visits include a minimum of six visits per year, a customized written safety program, a comprehensive supervisor training program that includes specific training materials and video tapes,

EXHIBIT 3-22
HIISD WORKERS' COMPENSATION CLAIM HISTORY
2000–01 THROUGH 2005–06

YEAR	CLAIMS	OPEN CLAIMS	PAID TO DATE LOSSES	TOTAL RESERVES	TOTAL INCURRED LOSSES
2000-01	2	0	$160.84	$0	$160.84
2001-02	5	0	$336.44	$0	$336.44
2002-03	1	0	$0	$0	$0
2003-04	1	0	$0	$0	$0
2004-05	1	0	$0	$0	$0
2005-06*	2	2	$781	$959	$1,740

*As of February 28, 2006.
SOURCE: Claims Administrative Services, Inc, HIISD Workers' Compensation Claims Cost Detail, 2000-01 through 2005-06.

EXHIBIT 3-23
HIISD WORKERS' COMPENSATION CONTRIBUTIONS
2001–02 THROUGH 2005–06

YEARS	FIXED COSTS	LOSS FUND MAXIMUM	TOTAL ANNUAL CONTRIBUTION	INCURRED-TO- DATE
2001-02	$4,124	$8,592	$12,716	$336
2002-03	4,454	9,223	13,677	0
2003-04	4,588	10,032	14,620	0
2004-05	4,180	10,798	14,978	0
2005-06*	3,788	11,523	15,311	1,740
TOTAL	**$21,134**	**$50,168**	**$71,302**	**$2,076.44**

SOURCE: Claims Administrative Services, Inc., Workers' Compensation Renewal Information, HIISD finance officer, 2001-02 through 2005-06.

inservice training for staff, and a resource library of video tapes and printed materials. The price for these services is included in the fixed costs.

The district does not have a written safety program. Although the staff stated that a representative provides some training, there was no documentation as to what training had occurred. The contract also states that the TPA will provide regular loss runs and an annual summary to each plan sponsor, including the name of the employee, total medical expenses paid, total weekly benefits paid out, and the reserve set for the total estimated cost to conclude the claim. HIISD staff could not provide copies of the annual loss reports for previous years during the site visit, but requested copies for the review team, which were faxed to the review team after the site visit.

By failing to implement a process for evaluating the district's workers' compensation program on a periodic basis, HIISD staff cannot confirm that the current program is the most cost-effective program available, or that it is receiving all the services that have been contracted. By selecting a new three-year contract in June 2005 without soliciting proposals from other pools or carriers, the superintendent eliminated the opportunity to pursue other workers' compensation options without penalty. Should the district choose to terminate the contract before the full contract term is completed, the district is required to reimburse the Plan Supervisor for discounts received, plus an additional 10 percent early cancellation withdrawal charge. Furthermore, by failing to evaluate the financial status of the self-funded pool, HIISD has placed itself at risk for liabilities that may result from the pool's operations and management.

Loss control services are critical to ensuring the safety of employees and maintaining low workers' compensation costs. Failure to monitor services has resulted in the district not receiving loss control services paid for in its fixed cost and increased its exposure to loss.

Without routine loss reports and an annual summary of losses, HIISD cannot provide the necessary loss documents or analysis needed to obtain proposals from other carriers and programs to ensure it has the most comprehensive and cost-effective program available to the district.

Based on the Texas Labor Code, Title 5 Workers' Compensation §408.021, HIISD's workers' compensation coverage is required to cover claims related to medical bills and some indemnity benefits for life. Consequently, the district may be liable for these ongoing claims if it discontinues its self-insurance program and purchases a fully-funded workers' compensation insurance policy in the future.

Prudent organizations review their insurance programs periodically to verify they balance the best coverage with an optimum price. In addition, when participating in a self-funded pool for coverage such as workers' compensation, some districts research the financial status of the pool and ask the following questions before deciding to participate in self-funded pools:

- How does the pool treat accrued liabilities?
- What is the financial condition of the program?
- Does the program use acceptable data to project future claims and costs for currently accrued losses?
- Is the program audited with appropriate standards?
- Are annual reports and financial statements made available to participating districts timely? (School boards need to know about the financial condition of the pool and whether problems are developing.)
- Does the program provide each district with information about how its contributions are spent?
- How much notice must be given if a board wants to terminate its membership in the pool?
- Does the program provide information on your district to the rating bureau?
- What is the amount of stop-loss or excess coverage and what is the attachment point for each district as well as the pool as a whole?
- Does the program offer assistance in reducing insurance hazards in your district?

HIISD should develop and implement a policy requiring the staff to monitor and evaluate the workers' compensation program annually. The superintendent should request that legal counsel review the interlocal agreement to identify existing liability exposures. In addition, the superintendent should request and review the most current audited financial statement of the self-funded pool. The superintendent and payroll officer should meet with the current TPA to review available loss control services that are included in the current contract and request a safety audit be completed for the district with written audit results. The superintendent and TPA should develop a timeline for implementing loss control measures, including a written safety program and safety

training. The superintendent and payroll officer also should develop specifications to request proposals for workers' compensation coverage and should solicit proposals for workers' compensation programs from carriers and other self-funded programs to compare program costs with the current program. The specifications should include five years of loss information, payroll information, and a description of the district's safety program. HIISD should evaluate all proposals, and when the current contract expires it should select a provider based on cost, service capability, financial stability, liability exposure, loss control services, and reputation.

The fiscal impact of this proposal is based on obtaining a legal review of the interlocal agreement and contract terms for the current workers' compensation program. Current legal services are $215 per hour. It is estimated that the agreement can be reviewed in two hours, for a one-time cost of $430 (2 x $215).

CAFETERIA PLAN (REC. 33)

HIISD does not maintain the required Cafeteria Plan documentation and employee communication to ensure compliance with the requirements of the IRC Section 125.

IRC Section 125 authorizes employers to offer Cafeteria Plans providing employees the option of purchasing some fringe benefits before taxes are calculated saving both the employer and employees taxes. The employer is the sponsor of the Cafeteria Plan and is ultimately responsible for complying with the IRC Section 125 requirements. This requires that the board adopt a summary plan document defining the benefits and compliance with Section 125.

HIISD has offered employees a Cafeteria Plan benefit since September 1, 2000. The district's TPA for the plan is the American Family Life Assurance Company of Columbus (AFLAC) Administrative Services Flex One Program. In October 2000, AFLAC sent the district the following forms and instructions for establishing the Cafeteria Plan:

- Flexible Benefits Plan Document containing the adoption agreement and table of contents. Each separate document should be executed and one copy sent to the company for their records.
- Corporate Resolution to be executed and kept by the district.
- Summary Plan Description stating one copy should be distributed to each eligible employee (regardless of whether they actually choose to participate) by the employer.

In a letter dated October 11, 2000, the company instructed the district to carefully review all documents to verify the accuracy of the benefits offered, eligibility, plan administration, and funding. The letter specifically placed responsibility for legal review and compliance with federal and state legal requirements on the district, including updating and amending the plan to comply with future design changes and legal requirements. The registered agent for service of legal process on the plan documents is a former superintendent. Benefits approved under the original document include the following:

- group medical insurance;
- vision care insurance;
- disability income-short term (A&S);
- cancer insurance;
- group dental coverage;
- intensive care insurance;
- accident insurance; and
- hospital indemnity insurance.

Both the Adoption Agreement and Flexible Benefits Plan Document are missing signatures from company and district representatives executing the agreement. In addition, the district was unable to provide a copy of the "Resolution Adopting a Flexible Benefits Plan" signed by the board president, or any documentation that the board had approved the plan and company. There was no documented evidence that HIISD had legal counsel review any of the documents.

Exhibit 3-24 provides a few key definitions provided by AFLAC for the "Flexible Benefits Plan" regarding its administration of the Cafeteria Plan.

As shown in **Exhibit 3-24**, AFLAC requests that HIISD identify an employee to oversee the plan within the district, and serve as a key contact in working with AFLAC. AFLAC identifies this position as "Plan Administrator." The district could not provide any documentation that they had designated an employee to serve as "Plan Administrator," nor a list of qualified benefits provided in an Appendix A, as described in **Exhibit 3-24**. Article VI of the Flexible Benefit Plan states that the Plan Administrator, appointed pursuant to the Adoption Agreement,

EXHIBIT 3-24
AFLAC FLEXIBLE BENEFITS PLAN
KEY DEFINITIONS

CONTRACT LOCATION	TERM	DEFINITION
1.04	Benefit Plans or Policies	Those Qualified Benefits available to a Participant under the Adoption Agreement. Where a Benefit Plan or Policy is made available through an individual insurance policy, the insurer(s) and policy form numbers shall be listed in Appendix A.
1.05	Board of Directors	The board of directors of the employer. The board of directors, upon adoption of this plan, appoints the committee to act on the employer's behalf in all matters regarding the plan.
1.24	Plan Administrator	The person or committee appointed by the employer with authority and responsibility to manage and direct the operation and administration of the Plan. If no such person is named, the Plan Administrator shall be the Employer.
1.27	Qualified Benefit	Any benefit excluded from the Employee's taxable income under Chapter 1 of the Code (other than Sections 106(b), 117, 124, 127, or 132), and any other benefit permitted by the Income Tax Regulations.

SOURCE: AFLAC Flexible Benefit Plan Document, June 1, 2000.

> . . . shall control and manage the operation and administration of the Plan. The Plan Administrator shall have the exclusive right to interpret the Plan and to decide all matters arising there under, including the right to make determinations of fact and construe and interpret possible ambiguities, inconsistencies, or omissions in the Plan and the Summary Plan Description issued in connection with the Plan. All determinations of the Plan Administrator with respect to any matter hereunder shall be conclusive and binding on all persons.

AFLAC is designated as the "Plan Service Provider." In the Flex Benefit Plan, Article 6.02 states that, "unless otherwise provided in the service agreement, obligations under this Plan shall remain the obligation of the Employer." HIISD did not provide the review team with a copy of the service agreement; consequently, what AFLAC receives in return for these services could not be identified. The district does not pay any fees to the company for the employees participating in the plan. The company does offer additional supplemental benefits to HIISD employees, but the district has no data on the commissions received on those benefits. According to district staff, the company considers commissions confidential.

HIISD staff could not provide a copy of the summary plan document issued to employees, or any type of communication provided by the AFLAC to employees explaining the Cafeteria Plan participation requirements or benefits. The only employee communication provided to the review team was the HIISD Employee Handbook, which contains a generic statement describing the Cafeteria Plan, without any specific information on participation requirements, opportunities to make election changes, or specific benefits offered in HIISD qualifying for placement under the Cafeteria Plan. The handbook includes the following information:

> Employees may be eligible to participate in the Cafeteria Plan (Section 125) and, under IRS regulation, must either accept or reject this benefit. This plan enables employees to pay certain insurance premiums on a pretax basis (i.e., disability, accidental death and dismemberment, cancer and dread disease, dental and additional term life insurance). A third party administrator handles employee claims made on these accounts.
>
> New employees must accept or reject this benefit during their first month of employment. All employees must accept or reject this benefit on an annual basis and during the specified period.

The description states that disability insurance premiums are eligible to be placed under the Cafeteria Plan, although the AFLAC Flex Benefit Plan document excludes disability benefits. In addition, the employee handbook does not include a description of the medical reimbursement or dependent care accounts that are available to employees. The medical flexible spending account provides employees with an opportunity for further tax savings by placing a predetermined dollar amount in an account prior to taxes and using that money to pay for qualified expenses not covered under the medical plan. For example, qualified expenses would include such items as co-payments, deductibles, prescriptions, and some over-the-counter drugs. The HIISD Cafeteria Plan has seven participants in the Flexible Spending Account.

As the plan sponsor, the district is ultimately responsible for complying with the IRC Section 125 requirements. Without legal review of the Cafeteria Plan document, provider agreement, and all employee communication regarding the plan, there are no assurances that HIISD is in compliance with the IRC Section 125 requirements. The board's failure to adopt a resolution establishing a Cafeteria Plan and adopting the Flex Benefit Plan, with subsequent plan amendments updating the original document with legislative changes and new benefits, places the plan at risk for non-compliance with IRC regulations and can result in penalties to the district. Non-compliance can also negatively affect employees. Furthermore, inadequate employee communication regarding the tax benefits of the plan can result in employees losing the opportunity to take advantage of the benefits afforded by participating in a Cafeteria Plan.

The Internal Revenue Code Sections 79, 105, 106, 125, 129, 213 and 401 created the Cafeteria Plan benefit offering the district and employees significant tax savings. Contributions authorized by an employee salary reduction agreement are not subject to federal and local income taxation. To offer this benefit, a district must comply with the IRS requirements for administration and documentation of all Cafeteria Plans. The IRC Section 125 requires the Cafeteria Plan document to include the following:

- a description of each benefit available under the plan and the period of coverage;
- a description of the eligibility rules for participants;
- procedures for holding elections under the plan, including when elections may be made and revoked and elections referring to a period when the employees make decisions about enrollment;
- the manner in which employer contributions may be made, such as by salary reduction agreement between the employer and employee, by non-elective employer contributions or by both;
- a statement regarding the maximum amount of employer contributions available to any participant; and
- the plan year.

Districts that outsource their Cafeteria Plan's administration to a third party administrator typically ensure the following:

- the TPA is licensed to do business in Texas;
- the TPA has a good track record and history of Cafeteria Plan administration;
- a contract is issued stating what the district wants accomplished;
- the TPA or outsource representative accepts responsibility for its administration, and indemnifies and holds the district harmless for the TPA's failure to meet administrative compliance issues with IRS;
- the TPA does not confuse the roles of "enroller" with that of marketer; and
- the TPA protects the district employee's rights.

To ensure compliance with the IRC Section 125 for Cafeteria Plans, districts develop documents for board approval with the assistance of legal counsel. The documents include the board approved benefit options to be placed under the plan. Written employee communication includes a corresponding summary plan document with employee election agreements and change forms. Contracting with a TPA includes requesting proposals, evaluating submitted proposals to ensure all services are included, and a written agreement identifying the district and TPA responsibilities and addressing liability issues. The written agreement includes a hold harmless clause protecting the district from administrative errors resulting from the TPA staff. The district does not allow the agent for the TPA to market products while counseling employees on Cafeteria Plan elections during the annual enrollment period. The district staff monitors the TPA to ensure compliance with the IRS Code Section 125 and other benefit laws.

HIISD should develop a Cafeteria Plan document and employee communication compliant with IRC Section 125. The superintendent should request that legal counsel review the cafeteria plan documents, board resolution and employee communication and make any necessary amendments to ensure compliance with IRC Section 125. These documents should be presented to and adopted by the board. In addition, legal counsel should review the service agreement for the Cafeteria Plan administration. Based on the review of the service agreement, the district can either negotiate changes to the agreement or request proposals for third party administrative services for a Section 125 Cafeteria Plan. Employee communication should be developed that accurately describes the plan, benefits, and participation requirements. The employee communication should be distributed during the annual open enrollment and the payroll

officer should maintain additional copies of the communication. The payroll officer should monitor the TPA services to ensure compliance with IRC Section 125 and other benefit laws. The officer also should take advantage of workshops and seminars that provide updates on IRC Section 125 requirements at professional association conferences or Internet-based training.

The fiscal impact for this recommendation is based on the training costs and legal review of documents. Legal review is based on a fee of $215 per hour at an estimated six hours of review, for a one-time cost of $1,290 ($215 x 6). Training on Cafeteria Plan administration can be obtained online for $299. Annual updates to training are available for $99 per year for following years. The estimated five-year fiscal cost is $1,185.

EMPLOYEE BENEFIT PROCEDURES AND TRAINING (REC. 34)

HIISD has not developed employee benefit procedures or provided employee training to ensure benefit programs are competitive, administered appropriately, and in compliance with benefit laws.

The district's employee benefits administration is assigned to the payroll officer, who is responsible for the following in the benefits area:

- maintaining benefit plan records;
- processing invoices for benefit programs;
- serving as the district liaison for benefit companies;
- updating TRS ActiveCare monthly participation reports;
- processing employee benefit applications and change forms;
- communicating benefits to employees;
- tracking and processing sick leave benefits;
- processing workers' compensation benefits;
- coordinating responses to unemployment claims;
- setting up payroll deductions for the benefits; and
- assisting employees with routine employee benefit concerns such as claim questions and benefit clarification.

These duties are in addition to other assigned responsibilities regarding payroll and personnel functions. Although the payroll officer is meticulous about handling the details of the benefits administration, meeting deadlines, and ensuring employees receive available benefits information, no formal training has been provided for this position in the area of benefits administration or compliance with benefit laws. Furthermore, no one cross trains with the payroll officer in the administration of the benefit programs, and there are no written operating procedures to guide an employee should the current payroll officer be absent for a significant period of time or leave the district.

HIISD offers employees several fringe benefits. The payroll officer is responsible for managing and processing the various enrollment forms, change forms, payroll deductions, and invoice reconciliations. This position also assists employees with claim resolution and serves as the district liaison, or point of contact, for the vendors for each benefit plan. In addition to the TRS ActiveCare medical plans and group life insurance provided to employees, the district makes several supplemental benefits available. **Exhibit 3-25** details the supplemental benefit programs HIISD offers to employees through payroll deduction.

There is no process to ensure the district is selecting the most competitive supplemental benefit programs to offer employees through payroll deduction. HIISD did not request proposals for the various supplemental benefit programs, and does not verify the financial stability of any of the carriers providing life insurance, disability, cancer, or catastrophic plans that employees purchase through payroll deductions. The district did not provide any copies of

EXHIBIT 3-25
HIISD SUPPLEMENTAL BENEFIT PROGRAMS
2005–06

BENEFIT PROGRAM	PARTICIPANTS
Securian Dental	26
AFLAC's Flex One Plan	7
AFLAC-, Short Term Disability and Accident Plan	19
Homeland Health - Vision	1
Aviva Annuity	4
Mutual of New York	1
United Teachers Association Insurance	2
Colonial Life - Cancer Plan	2
Pre-Paid Legal	6

SOURCE: HIISD payroll officer, February 15, 2005.

contracts for the individual supplemental plans, stating premiums, benefits, and terms of the agreement. When the premiums for the previous dental program increased, the payroll officer contacted an agent to look for additional coverage in the marketplace rather than advertising a request for proposals. The agent provided quotes for Securian Dental that resulted in a significant decrease in the employee-only coverage premium and allowed employees a freedom of choice in the selection of a dentist. District staff is unaware of any commissions the agent of record is receiving on the dental program.

HIISD offers an IRC Section 125 Cafeteria Plan, AFLAC's Flex One Cafeteria Program, to employees. In return for contracting with the company as a service provider, or TPA, for the Cafeteria Plan at no cost to the district, the district allows the company to market supplemental benefits to employees, including pre-paid legal, short-term disability plans, accident plans, and cancer plans. HIISD does not evaluate these programs and the staff is unaware of any commissions the company receives from these supplemental benefits.

The employee handbook has minimal information on the benefit programs offered in HIISD, and does not include information regarding employee rights under various benefit laws. Furthermore, the district lacks procedures to guide the staff in compliance with various benefit laws. The payroll officer does not receive regular training on benefit related laws such as the Family and Medical Leave Act of 1993 (FMLA), Consolidated Omnibus Budget Reconstruction Act (COBRA), IRS Section 125 Cafeteria Plan, and Health Insurance Portability and Accountability Act (HIPAA). The officer stated that the district had one FMLA request in June 2005. Since there was no previous training regarding FMLA, the officer researched FMLA on the Internet to determine how to process the request. After considerable research, the officer was able to determine the FMLA requirements and the number of days the employee could be placed on FMLA. The officer has now developed a form for FMLA requests. Teachers interviewed stated they did not have any training on FMLA and did not understand their rights under the law.

Failure to provide appropriate staff training and develop written benefit procedures places the district at risk for non-compliance with benefit laws and plan requirements. Lack of procedures and training causes the payroll officer to operate without guidelines for processing and communicating benefits consistently, and following benefit plan requirements. Failure to comply with plan requirements can jeopardize employee coverage under a benefit plan. Without appropriate training on benefit laws and legislative updates, employees responsible for the administration of HIISD's benefit programs cannot develop operating procedures to ensure the district complies with relevant laws and benefit plan requirements. This can create liability exposures for both the district and employees with possibilities of assessed penalties or fines. These liability exposures are specifically created from noncompliance with such laws as FMLA, COBRA, HIPAA, and the IRC Section 125. In addition, failure to cross train another employee in benefits administration, or have specific procedures to guide someone if the payroll officer is absent for a significant period of time or leaves the district, creates a considerable liability exposure in the benefits area, particularly in the area of enrollments, employee communication, and benefit deadlines.

Without established guidelines for benefit program review and evaluation criteria, HIISD does not periodically request proposals for competitive benefits and cannot ensure that employees are receiving the most competitive benefit programs available. Allowing vendors to market their products to employees without a set process for screening or researching background to verify a company's financial stability, licenses, reputation for claims service and benefit payments, increases both the employees' and the district's risk for doing business with a company that may not be financially sound. The lack of contracts or agreements for each company, limits the district's ability to hold the companies accountable for expected services or liable if the company fails to provide coverage for a claim.

Model employee benefit operating procedures incorporate the requirements of benefit laws such as FMLA, COBRA, and HIPAA to ensure the district is in compliance with those benefit laws and employees receive appropriate benefits guaranteed by law. For example, the FMLA entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12 month period for specified family and medical reasons. Employees retain certain rights pertaining to benefits while on FMLA. The law states the following:

- During any FMLA leave, an employer must maintain an employee's coverage under any group health plan, as defined in the Internal Revenue Code, on the same conditions as coverage would have been provided if the employee had been continuously employed during the entire leave period.

- The same group health plan benefits provided to an employee prior to taking FMLA leave must be maintained during the FMLA leave.
- If the employer provides a new health plan or benefits, or changes health benefits or plans, while an employee is on FMLA leave, the employee is entitled to the new or changed plan/benefits to the same extent as if the employee were not on leave.
- Notice of any opportunity to change plans or benefits must also be given to an employee on FMLA.
- An employee may choose not to retain group health plan coverage during FMLA leave. However, when an employee returns from leave, the employee is entitled to be reinstated on the same terms as prior to taking the leave, including family or dependent coverage.
- An employee's entitlement to benefits other than group health benefits during a period of FMLA leave (e.g., holiday pay) is to be determined by the employer's established policy for providing such benefits when the employee is on other forms of leave (paid or unpaid, as appropriate).

In addition, COBRA provides former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. Under COBRA, a group benefit plan is defined as "a plan that provides health care benefits for the employer's employees and their dependents through insurance or another mechanism such as a trust, health maintenance organization, self-funded pay-as-you-go basis, reimbursement or combination of these." Health care benefits available to COBRA beneficiaries may include the following:

- inpatient and outpatient hospital care;
- physician care;
- surgery and other major medical benefits;
- prescription drugs; and
- any other health care benefits, such as dental and vision care.

The variety of qualified benefits requires district staff to coordinate continued coverage with several programs and/or vendors. Benefit procedures include an explanation of the law and the basis for qualification for continued coverage, based on coverage loss due to specific "qualifying" events. Individuals who qualify for and elect COBRA continuation coverage must pay for COBRA continuation coverage. When a qualifying event occurs such as termination of employment or reduction of hours, the employer must notify the plan administrator or insurance company. When other qualifying events occur such as divorce or a dependent child losing eligibility, the employee must notify the Plan administrator within 60 days of the event.

Employers must provide initial notice to employees of their rights under COBRA when they are hired. When an employee is no longer eligible for health coverage, the employer must provide the employee with specific notice regarding their rights to COBRA continuation benefits. Spouses and dependent children covered under a qualified benefit have an independent right to elect COBRA coverage upon an employee's termination or reduction in hours.

Employee benefit procedures also include guidelines for informing employees of their rights under HIPAA and complying with the law. Procedures include the HIPAA Privacy Rule which protects all "individually identifiable health information held or transmitted by a covered entity." This information is referred to as "protected health information" and is information, including demographic data that relates to the following:

- the individual's past, present or future physical or mental health or condition;
- the provision of health care to the individual; or
- the past, present, or future payment for the provision of health care to the individual and that identifies the individual. It may include name, address, birth date, and social security number.

The HIPAA Privacy Rule identifies the following administrative requirements for covered entities:

- Privacy Policies and Procedures – A covered entity must develop and implement written privacy policies and procedures that are consistent with the Privacy Rule.
- Privacy Personnel – A covered entity must designate a privacy official responsible for developing and implementing its privacy policies and procedures, and a contact person or contact office responsible for receiving complaints and providing individuals with information on the covered entity's privacy practices.
- Workforce Training and Management – Workforce members include employees, volunteers, and trainees. A covered entity must train all workforce members

on its privacy policies and procedures, as necessary and appropriate for them to carry out their functions. The entity must have and apply appropriate sanctions against workforce members who violate its privacy policies and procedure or the Privacy Rule.

- Mitigation – A covered entity must mitigate, to the extent practicable, any harmful effect it learns was caused by the use or disclosure of protected health information by its workforce.
- Data Safeguards – The entity must maintain reasonable and appropriate administrative, technical, and physical safeguards to prevent intentional or unintentional use or disclosure of protected health information in violation of the Privacy Rule and to limit its incidental use and disclosure pursuant to otherwise permitted or required use or disclosure.
- Complaints – The entity must have procedures for individuals to complain about its compliance with its privacy policies and procedures and the Privacy Rule.
- Retaliation and Waiver – The entity may not retaliate against a person for exercising rights provided by the Privacy rule.

Many districts develop procedures for managing employee benefit programs. These procedures include requesting proposals for programs, and selecting benefit options providing the best coverage at the most affordable price. They include guidelines for benefit administration to ensure consistency in employee communication across the district, vendor guidelines for marketing within the district, and compliance with benefit laws. Benefit options and employee rights are clearly communicated to all district staff. Employees responsible for benefit administration receive adequate training on legal updates on a routine basis.

HIISD should develop employee benefit procedures to guide the district in the selection and administration of benefit programs, and provide staff with training on benefit laws. The payroll officer should identify the processes necessary for the administration of the district's employee benefit program and create operating procedures for the district. The superintendent and payroll officer should evaluate the current benefit programs to determine benefit needs. They should advertise a request for proposals for supplemental coverage based on that evaluation. The superintendent should establish an insurance committee to assist with the evaluation of the current benefit programs and benefit proposals and to help develop recommendations for benefit programs for board approval. Legal counsel should review each contract or agreement prior to board approval. The payroll officer should obtain annual training on benefit laws and compliance requirements. The employee handbook should be updated to include available benefits, procedures regarding eligibility, enrollments, change requirements, and a description of the various benefit laws and employee rights under those laws.

The fiscal impact of this recommendation is based on employee training and legal review of contracts for supplemental benefit programs. Legal review is based on $215 per hour for an estimated four hours, for a one-time cost of $860 (4 x $215). Employee training can be obtained online for the benefit laws. COBRA, FMLA, and HIPAA training is available at $299 per eight hour course, for a total of $897 (3 courses x $299). HIISD can obtain updates and continued access to information on the laws for an annual renewal of $99 per course totaling $297 per subsequent years (3 courses x $99). The five-year cost is an estimated $2,945.

COMPETITIVE PROCUREMENT PROCESS (REC. 35)

HIISD does not consistently comply with state competitive procurement laws.

The Business Office was unable to provide documentation regarding the district's procurement process, and the Employee Handbook does not address competitive procurement procedures. During the on-site visit the review team identified incidences where the purchase of goods and services were not obtained through the use of one of the competitive procurement methods prescribed by TEC. For example, HIISD purchases custodial supplies from the Sanitary Supply Company without documentation that this vendor was selected through a competitive bidding process. During 2004–05, the purchases from this vendor totaled over $13,000. The district could not produce written quotations or documentation of telephone quotes as required by TEC to support the reason for using this particular vendor. The finance officer said that some departments fail to follow procurement procedures and that the district does not maintain an approved vendor listing.

Violations of competitive procurement laws place school administrators and the board of trustees at risk for legal action. In addition, supplies and services purchased outside of a competitive procurement process tend to cost more since vendors are not competing for the opportunity to do business with the district.

TEC §44.031 (a), (b), states that all contracts, except contracts for the purchase of produce or vehicle fuel, valued at $25,000 or more, for each 12-month period are to be made by the methods that provide the best value to the district. The law enumerates several options for competitive procurement that are available to districts. Seven of these options that are not related to construction procurement are listed in HIISD Policy CH (LEGAL) and include:

- competitive bidding;
- competitive sealed proposals;
- a request for proposals for services other than construction services;
- a catalog purchase as provided by Government Code chapter 2157, subchapter b;
- an interlocal contract;
- the reverse auction procedure as defined by Government Code 2155.062 (d); and
- the formation of a political subdivision corporation under local Government Code 304.001.

The majority of HIISD's procurement contracts, with the exception of the Food Service operation, fall below the $25,000 competitive procurement requirements. The district, however, does purchase personal property that exceeds $10,000 in aggregate. TEC §44.033 requires that contracts for personal property of at least $10,000, but less than $25,000 for a twelve-month period must be advertised in two successive issues of a newspaper. The advertisements must specify the categories of property projected for procurement and solicit bids from vendors that are interested in supplying the goods or services. Before making a purchase, the district must obtain written or telephone price quotations from at least three vendors on an approved list of vendors for that item. TEC §44.033 (b) requires the purchase to be made from the lowest responsible bidder. In determining the lowest responsible bidder, the district may consider the following:

- purchase price;
- reputation of the vendor and of the vendor's goods and services;
- quality of the vendor's goods or services;
- extent to which the goods or services meet the district's needs;
- vendor's past relationship with the district;
- effect on the ability of the district to comply with laws relating to historically underutilized businesses;
- total long-term cost to the district to acquire the goods or services; and
- any other relevant factor specifically listed in the request for bids or proposals.

HIISD should comply with state purchasing laws and related board policy for purchases exceeding $10,000 in the aggregate. The superintendent and finance officer should develop district guidelines for using competitive procurement methods to guarantee compliance with state purchasing laws and board policy. They should update the HIISD Employee Handbook to include competitive procurement guidelines and the finance officer should train all staff on the competitive bidding requirements to ensure compliance.

PURCHASE ORDERS (REC. 36)

HIISD does not consistently follow board policy and local procedures requiring the use of purchase orders.

Purchase orders are among the most commonly used method for procuring goods and services. As its name indicates, this document serves as a formal order for goods, materials and/or services from a vendor. Once approved, a purchase order is a binding commitment for a district to remit payment to the vendor after the item(s) and an invoice are received by the district. HIISD Policy CH (LOCAL), which covers purchasing and acquisition, states, "All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures." The HIISD Employee Handbook instructs employees to complete purchase order forms that include the following:

- name, address and phone number of vendor;
- order information;
- funding source;
- principal approval;
- Business Office budget coordination; and
- superintendent's final approval.

During 2004–05, HIISD issued 196 purchase orders covering mostly educational and transportation supply and material orders. While these functional areas follow procedures, other

district functional areas such as maintenance and Food Service, order supplies and material without completing a purchase order, seeking the approval of the superintendent, or stating the funding source for the purchase. For example, the Food Service department spends approximately $58,000 annually on food and non-food supplies. The majority of these purchases are made through the district's membership in the Region 5 Food Service Cooperative. As a member of the cooperative, districts are able to avoid some of the requirements associated with the bidding process. However, the cooperative requires member districts to order directly from the vendors selected by the co-op using an authorized district purchase order and purchase order number. Both the finance officer and Food Service manager stated that purchase orders were not issued to co-op vendors, a violation of co-op requirements.

The maintenance staff normally secures supplies without obtaining a purchase order, which also violates district purchasing policy and administrative procedures. For example, in 2004–05, the maintenance staff ordered over $13,000 in custodial supplies from one vendor without ever issuing a purchase order.

Failure to utilize purchase orders to encumber funds can cause overspending in a budgeted functional area, inconsistent with the TEC. In 2006, the district received a letter from TEA noting that the Child Nutrition Fund as a whole exceeded its 2003–04 budget. The letter stated, "…under law, expenditures from a governmental fund type cannot be made without authority of appropriation." TEC §44.052 states, "a superintendent that approves any expenditure of school funds in excess of the amount appropriated for that item(s) in the adopted budget commits a Class C misdemeanor offense." Consequently, close supervision and monitoring of the budget dollar availability and of the approval process for requisition are important elements of a district's purchasing process. During 2004–05, the Food Service program again overspent its supply budget by $3,936, and its overall functional expenditure budget by $1,551. The Food Service program's failure to issue purchase orders and encumber funds for co-op purchases has contributed to this problem.

Failure to utilize purchase orders for procurement circumvents the requisition and approval process, distorts the district's financial records by failing to encumber funds, and can cause budget overruns.

The *FASRG* states in *Section 3.2.5.1*, "Requisitions should be initiated by those having proper authority, as defined in the district purchasing policy manual. Requisitions initiated by instructional, maintenance and support personnel should then be approved by the appropriate person, the principal, department head or superintendent. Requisitions which require expenditures from the Special Revenue Fund should be approved by the program administrator."

The *FASRG* also states, "A purchase order is also an important accounting document. It contains information on the expenditure to be made and the account code to be charged. Once issued, the purchase order encumbers funds, which serves as an expenditure control mechanism. Finally, the purchase order is utilized in the accounts payable process as it documents that an order has been received and accepted by the user and payment can be made to the vendor."

HIISD's superintendent should ensure that all district employees follow board policy and local procedures requiring the use of purchase orders. The superintendent can do this by reviewing purchase order requirements in the *FASRG*, reviewing HIISD's purchase order procedures, and emphasizing to district personnel the importance of following procedures. The district should hold employees accountable for not following purchase order procedures.

CONTRACT MANAGEMENT (REC. 37)

HIISD does not have a contract management system to ensure the evaluation, monitoring, and maintenance of existing or future district contracts.

The payroll and finance officers are responsible for maintaining district contracts in the Business Office but lack a formal system for managing contracts. To make sure contracts are completed, they leave the contract files on their desks until they receive the executed contract from the vendor. There is no system to evaluate vendor performance once a contract has been executed. The finance officer tracks contract renewals by logging contract dates on a five-year calendar. Furthermore, HIISD had no documentation available indicating legal counsel had reviewed major contracts.

The district does not have written procedures to provide guidance to staff for reviewing contracts, ensuring all elements of a contract are in place, obtaining legal counsel reviews when appropriate, or obtaining renewals when contracts expire. The review team identified the following

examples of HIISD failing to evaluate and monitor contracts:

- The contract with Pinnacle Employee Testing Service, Incorporated, for alcohol and drug testing services does not have an effective date and does not contain a signature from the corporation. District staff notes that the contract was implemented in 2002–03. The contract states the agreement will be in effect from the date of execution for a period of two years.
- The contract with the Region 5 for the RSCCC system support was signed by the superintendent on August 12, 2005, but HIISD's copy was not signed or dated by the Region 5 executive director.
- The district entered into an interlocal agreement and plan for a workers' compensation self-insurance joint fund on September 1, 2000. It requires a documented legal review of the agreement or review of financial status of the pool. On June 14, 2005, the superintendent renewed the contract for three additional years without board approval, legal review, or review of the financial status of the pool. District staff had to request a copy of the renewal by fax as a copy could not be located. In addition, the district is not receiving all loss control services stated in the report, including routine loss reports and safety training.
- In 2000, HIISD entered into an agreement with AFLAC for provider services for the Cafeteria Plan. The Cafeteria Plan document does not contain signatures, dates, or the appendices itemizing qualified benefits that employees could place on the Cafeteria Plan for tax benefits. In addition, staff could not provide a board resolution adopting the Cafeteria Plan. In a letter from AFLAC on October 11, 2000, the company specifically advises the district to have legal counsel review all documents, but there was no documented legal review. Additionally, the district is responsible for updating the document with any legislative changes since the inception of the plan.

HIISD does not track its contracts to ensure timely renewals when a contract expires and services are to continue. For instance, the district entered into an Interlocal Agreement and Memorandum of Understanding with the Galveston County Juvenile Board for a Juvenile Justice Alternative Education Program (JJAEP) for 2004–05. The term of the agreement was for the 2004–05 school year according to the Dickinson ISD school calendar. At the time of the review team's visit in February 2006, the district had not received a JJAEP renewal contract for 2005–06.

Without a formal system to manage contracts, HIISD cannot guarantee that contracts are executed properly and liability issues are addressed appropriately. It places the district at risk of entering into contracts that are unfavorable to the district, of not receiving the services it has purchased, and of non-compliance with applicable statutes and laws.

The Texas Business and Commerce Code, Subchapter 2.201, requires contracts to be in writing for the purchase of goods valued at more than $500. While this may not be necessary for single purchases using purchase orders, districts benefit from a clear understanding of the contract terms and performance measures with long-term service and supply vendors. Providing terms in a written contract reviewed by legal counsel ensures the contract is in compliance with all applicable statutes.

The Texas Civil Practice and Remedies Code §101.023 (b) indicates that districts are liable for money damages against the district of $100,000 for each person, $300,000 for each single occurrence of bodily injury or death, and $100,000 for each occurrence of property damage or destruction. Given this exposure, prudent districts carry their own liability insurance and require those who perform services on school property to do the same.

Contract management procedures provide guidance in executing contracts properly, and establish a system for managing and monitoring the contracts once approved by the district. When entering into a contract, districts often:

- employ legal counsel to draft or review the final contract prior to signing it;
- identify how the district's liability is addressed in the contract;
- identify who has the authority to enter into the contract on behalf of the district;
- attach all supporting documents to the contract;
- retain an original contract with signatures of all district parties;
- describe the specific services to be performed;
- identify when and how the contractor will report to the district;
- identify a clause for changing the contract;

- describe the cost to the district and any changes that may occur;
- describe how the district may terminate the contract and under what conditions;
- identify how the vendor's performance will be reviewed and documented; and
- describe remedies for a contractor's failure to perform services.

East Central ISD (ECISD) has implemented a system to maintain and manage contracts within the district. The only personnel authorized to sign contracts are the superintendent and assistant superintendent for Business and Operations. All contracts are maintained in a central location. The assistant superintendent worked with the district's law firm to develop a generic contract to use with all vendors. The contract identifies the contractual obligations of both parties, including services and payments. For circumstances that require the district to sign a vendor's contract, the associate superintendent reviews the contract to determine if there are any issues in question. If the contract is complex, the assistant superintendent has the contract reviewed by legal counsel. ECISD does not enter into any contracts that require the district to hold harmless and indemnify the vendor for future claims.

HIISD should develop a contract management system with procedures to manage and monitor district contracts. Developing a contract management plan and supporting guidelines will reduce the district's exposure to liability, ensure HIISD does not accept contracts with language detrimental to the district, help monitor contract performance, track contract expiration dates, and ensure that all contracts are completed and enforced. The Business Office should develop a central filing system for all contracts to assist with tracking and monitoring. HIISD also should have a process to evaluate services rendered, or products provided under the contract. The monitoring process should have a mechanism to evaluate a vendor's performance, and provide feedback or implement corrective action if, or, when warranted.

TEXTBOOK PROCEDURES (REC. 38)

HIISD does not have written procedures to provide guidance and ensure consistency in textbook management.

The textbook coordinator, who also serves as the school librarian, technology coordinator, and English teacher, has developed a process for textbook management that works well, but has not documented the process to ensure a smooth transfer of responsibilities should someone else take this position.

A textbook committee including the textbook coordinator, counselor/curriculum director, principal, and relevant teachers, reviews and selects textbooks to be adopted each year. The committee tries to align the textbooks vertically to maintain consistency from one year to the next for students. Once the textbooks are selected, the choices are submitted to the board for approval.

The textbook coordinator orders textbooks based on the maximum number of students enrolled in the district the previous school year. Once the textbooks are received, the coordinator labels them for inventory, distributes them to teachers who in turn assign textbooks to students. Since the district is so small, the student's textbook assignments are maintained on paper rather than on computer. When a textbook is lost, the student brings a check to the teacher, who issues another textbook. All checks are turned into the textbook coordinator, who provides a receipt to the student and submits the funds to the central office. If a student finds the lost textbook, the administration sends a refund check home to the parent.

The textbook coordinator said that they never have had classes that did not have textbooks or parents who complained their child did not have a textbook. **Exhibit 3-26** provides the survey responses from parent, students, and teachers regarding textbooks perceptions.

Overall, teachers, students, and parents feel students are issued textbooks timely and textbooks are in good shape. The majority of students responded that there were enough textbooks in all of their classes.

While the current textbook management system is effective and efficient, the district is dependent on the memory of one employee to maintain that process and ensure compliance with state textbook laws. Without written textbook procedures that identify the specific responsibilities and the necessary steps to carry out those responsibilities, the district cannot ensure that the system will continue should the current textbook coordinator be absent for an extended period of time or leave the district. In the absence of a predecessor or procedures, a new textbook coordinator would have to develop a system to manage textbooks, including the identification of timelines for the textbook

EXHIBIT 3-26
TEXTBOOK PERCEPTIONS AMONG TEACHERS, STUDENTS, AND PARENTS

SURVEY QUESTION: STUDENTS ARE ISSUED TEXTBOOKS IN A TIMELY MANNER.	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
Teachers	36.0%	55.0%	9.0%	0.0%	0.0%
Students	9.0%	77.0%	9.0%	6.0%	0.0%
Parents	3.0%	75.0%	13.0%	6.0%	3.0%
SURVEY QUESTION: TEXTBOOKS ARE IN GOOD SHAPE.	**STRONGLY AGREE**	**AGREE**	**NO OPINION**	**DISAGREE**	**STRONGLY DISAGREE**
Teachers	36.0%	36.0%	18.0%	9.0%	0.0%
Students	3.0%	46.0%	26.0%	23.0%	3.0%
Parents	6.0%	72.0%	16.0%	3.0%	3.0%
SURVEY QUESTION: THERE ARE ENOUGH TEXTBOOKS IN ALL MY CLASSES.	**STRONGLY AGREE**	**AGREE**	**NO OPINION**	**DISAGREE**	**STRONGLY DISAGREE**
Students	6.0%	51.0%	26.0%	14.0%	3.0%

SOURCE: HIISD School Review Surveys, January 2006.

selection committee, ordering and replacing textbooks, textbook distribution, and compliance with state law.

TEC §31.102 (a) states all textbooks purchased in accordance with TEC Chapter 31 are the property of the state of Texas. Section 31.104(a) further states the board may delegate the power to requisition distribute and manage the inventory of books, consistent with the Texas Education Code Chapter 31. The Texas Administrative Code, Title 19, §66.107 requires each district to conduct an annual physical inventory of all currently adopted textbooks requisitioned by, and delivered to, the districts. The results of the inventory should be recorded in the district's files. It further states that all textbooks must be turned in at the end of the year.

The Laredo ISD (LISD) textbook coordinator has established textbook administrative guidelines and procedures that are posted on the district's website. The guidelines include the following:

- mission, goals and objective;
- inventory protocol;
- textbook adoption policies and procedures;
- list of textbooks up for adoption;
- textbook administrative guidelines and procedures;
- textbook adoption schedule; and
- publisher contact.

LISD's *Textbook Administrative Guidelines and Procedures* includes detailed descriptions of all aspects of the textbook management system. The membership describes the number of students in a grade or course, with descriptions regarding special populations, special education, bilingual, and gifted and talented students. The guidelines include the requisition, receiving, and distribution processes. Accountability is addressed through inventory protocols, textbook checks and fiscal control, along with teacher responsibilities, consequences, and parent responsibilities. In addition to the administrative guidelines, textbook adoption policies and procedures have also been developed. By developing detailed guidelines for the textbook management system, LISD ensures a consistent and compliant program from year to year.

HIISD should establish written guidelines for complying with textbook rules and regulations. The district's textbook coordinator should develop textbook procedures to serve as reference for managing the textbook process throughout the year. These procedures should include the textbook selection process, ordering textbooks, inventory, and reimbursement for loss textbooks. The procedures should be reviewed and updated on an annual basis.

For background information on Financial Management, see page 175 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS		2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
CHAPTER 3: FINANCIAL MANAGEMENT								
22.	Develop a coordinated budget preparation and management process including the board, staff, and other stake holders in budget planning, preparation, and evaluation.	($1,526)	$0	($763)	$0	($763)	($3,052)	($2,500)
23.	Eliminate the LOHE and use the additional revenue to enhance instructional programs.	$0	$45,084	$45,084	$45,084	$45,084	$180,336	$0
24.	Develop a plan to manage the fund balance.	$0	$0	$0	$0	$0	$0	($4,356)
25.	Establish Business Office internal control procedures that segregate duties and safeguard district assets.	$0	$0	$0	$0	$0	$0	$0
26.	Evaluate payroll recordkeeping and overtime procedures to ensure compliance with all federal and state requirements.	$0	$0	$0	$0	$0	$0	$0
27.	Adopt policies delineating how the district determines fair market value on its rental properties, and whether it is a taxable benefit to employees.	$0	$0	$0	$0	$0	$0	$0
28.	Close all inactive activity accounts and credit ther balances to the appropriate account determined by campus administration.	$0	$0	$0	$0	$0	$0	$0
29.	Maximize interest yield by working with the depository bank to centralize all of the account balances into an interest earning account.	$4,119	$4,119	$4,119	$4,119	$4,119	$20,595	$0
30.	Protect district funds by complying with the training, reporting, and review requirements of PFIA.	($800)	$0	($800)	$0	($800)	($2,400)	$0
31.	Develop formal fixed-asset procedures including requirements for maintaining a computerized listing of fixed-assets and conducting an annual inventory of all fixed-assets.	$0	$0	$0	$0	$0	$0	$0

FISCAL IMPACT (CONTINUED)

RECOMMENDATIONS		2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
32.	Develop and implement a policy requiring the staff to monitor and evaluate the workers' compensation program annually.	$0	$0	$0	$0	$0	$0	($430)
33.	Develop a Cafeteria Plan document and employee communication compliant with IRC Section 125.	($299)	($99)	($99)	($99)	($99)	($695)	($1,290)
34.	Develop employee benefit procedures to guide the district in the selection and administration of benefit programs, and provide staff with training on benefit laws.	($897)	($297)	($297)	($297)	($297)	($2,085)	($860)
35.	Comply with state purchasing laws and related board policy for purchases exceeding $10,000 in the aggregate.	$0	$0	$0	$0	$0	$0	$0
36.	Ensure that all district employees follow board policy and local procedures requiring the use of purchase orders.	$0	$0	$0	$0	$0	$0	$0
37.	Develop a contract management system with procedures to manage and monitor district contracts.	$0	$0	$0	$0	$0	$0	$0
38.	Establish written guidelines for complying with textbook rules and regulations.	$0	$0	$0	$0	$0	$0	$0
TOTALS–CHAPTER 3		**$597**	**$48,807**	**$47,244**	**$48,807**	**$47,244**	**$192,699**	**($9,436)**

CHAPTER 4

OPERATIONS

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

CHAPTER 4. OPERATIONS

Facilities use and management, food service, and transportation are the support functions of a school district. These functions are central to daily operations, and must be well-managed for the district to achieve sound educational programs and healthy finances.

Planning for facilities based on student enrollment, aging facilities, and legislative requirements is essential in providing for student needs. Facilities must be adequately maintained to ensure the safety of students and staff, and to create an environment conducive to learning. Food service operations are expected to provide students with appealing, nutritionally sound breakfasts and lunches as economically as possible. Student transportation should provide safe and timely transportation for students to and from school and school-related activities.

High Island Independent School District (HIISD) facilities are located on one property with all schools, athletic fields, and buildings within walking distance. The schools are housed in three separate buildings. The elementary school serves students in grades K–5, the middle school serves students in grades 6–8, and the high school serves students in grades 9–12. The high school includes the district's recently renovated library and science lab. The middle school was completed in February 2001, and includes the district's cafetorium and fitness room. The gymnasium and athletic offices sit adjacent to all campuses.

The district has a separate facility used as the central administrative office, and nine area homes provided to the superintendent and teachers as living quarters. Referred to as teacherages, HIISD uses them as a recruitment strategy to overcome relatively low teacher salaries and a lack of available housing in the somewhat remote community.

HIISD participates in the National School Lunch Program (NSLP) and the School Breakfast Program (SBP), serving an average of 64 breakfasts and 131 lunches to students daily. The district also provides bus transportation for approximately 178 students, including routes driven to transport transfer students to neighboring communities Crystal Beach and Port Bolivar.

ACCOMPLISHMENTS

- HIISD encourages healthy living concepts by acquiring alternative funding to provide a well-equipped fitness center for use by students and staff.
- HIISD ensures cleanliness and compliance in the district's cafeteria, resulting in four consecutive years of special achievement recognition from the county health district.

FINDINGS

- HIISD has not defined and implemented operating guidelines for its maintenance and transportation services.
- HIISD has not ensured that its support staff receives mandatory training in accordance with federal laws.
- HIISD lacks a long-range facility plan to effectively monitor and manage its facilities.
- HIISD has not formally developed and implemented a comprehensive preventive maintenance plan to maintain district facilities, including a work order system to record completed tasks.
- HIISD's maintenance and transportation functions lack policies and procedures to properly account for and safeguard equipment, tools, and supplies.
- HIISD does not monitor energy use and maximize savings in utility costs as part of an energy management program.
- HIISD has not implemented a system to monitor, evaluate, adjust, or control revenues and expenditures within the Food Service department.
- HIISD does not determine its Food Service department staffing levels based on the number of meals served per labor hour, or the average number of staff hours.
- HIISD does not include all of the components required for a reimbursable breakfast to secondary students, and therefore is not maximizing the federal reimbursement allowed.

- HIISD does not adequately communicate with staff and students, or incorporate the district's available commodities in planning district menus.
- HIISD has not fully implemented a policy addressing the charging of meals by students and staff.
- HIISD has not implemented a process to accurately track student participation in school meals, and account for funds received.
- HIISD does not track, monitor, and evaluate the performance of the district's transportation services to guarantee safe, efficient, and effective operations.
- HIISD does not accurately count and report bus mileage and ridership in accordance with Texas Education Agency (TEA) guidelines for transporting out-of-district students.
- HIISD lacks a plan or budget to allow for regular bus replacement.
- HIISD lacks a comprehensive vehicle preventive maintenance plan, and daily inspection checklist for district buses and vehicles.
- HIISD does not secure its fuel supply and document fuel consumption.

RECOMMENDATIONS

- **Recommendation 39: Develop and implement operating guidelines providing structure and direction, and establishing priorities for maintenance and transportation services.** Guidelines should include clearly stated employee expectations, and ensure quality performance and accountability. The district should expand guidelines and staff expectations into job descriptions, annual evaluations, and identification of training needs. The superintendent should designate a maintenance employee to serve as the contact person to make sure established procedures are followed, and services are adequately provided to students and staff. The superintendent and maintenance staff should develop and maintain a written schedule of projects, with a targeted completion schedule.
- **Recommendation 40: Evaluate support staff training needs and ensure employees are provided mandatory training in accordance with federal law.** The designated supervisor of each support function should maintain employee training records that reflect initial and annual training completed. The supervisor should also remain abreast of changes and additions to training requirements, and make sure staff is in compliance with federal laws. All staff with occupational exposure should immediately receive training in bloodborne pathogens exposure as required by federal law.
- **Recommendation 41: Develop and implement a formal facility master plan addressing ongoing facility maintenance and identifying future building needs.** HIISD should establish an advisory committee of maintenance staff, parents, teachers, and other community members to assess the district's facility needs. The superintendent and campus staff should use the information provided by the advisory committee to develop a formal facilities master planning document to present to the board for approval.
- **Recommendation 42: Develop and implement a comprehensive preventive maintenance program to maintain district facilities.** The superintendent and maintenance staff should review the current facility conditions to identify and prioritize maintenance needs. A preventive maintenance schedule should be developed identifying items for inspection, type of inspection, and frequency. Maintenance records should be maintained for each identified item. The district's manual work order process should be expanded to ensure work orders are completed for all maintenance activities and parts and labor costs are recorded.
- **Recommendation 43: Develop and implement comprehensive policies and procedures to control and account for equipment, tools, and supplies.** The policy should include issues such as record keeping, accounting for additions, deletions, and transfers, conducting periodic inventories, and reconciling discrepancies. In addition, the policy should address the use or application of school property by district employees, and include reference to policy and procedures in the employee handbook. The superintendent should work with the finance officer to ensure that any equipment, tools, and supplies required to be tracked in the Regional Service Center Computer Cooperative (RSCCC) business system software are appropriately recorded, as discussed in detail in the Financial Management chapter of this report. HIISD should also maintain all tools and equipment in a

limited access storage area and require staff to sign for equipment used.

- **Recommendation 44: Implement an energy management program by developing and adopting a board policy to identify energy conservation goals, and assign the responsibility of cultivating and monitoring the program to an existing staff member.** The district should obtain an audit of its facilities and develop methods of reducing energy consumption. HIISD should also consider expanding the energy management program into the student curriculum by obtaining energy-related educational materials.
- **Recommendation 45: Implement a process that involves the Food Service manager in developing, monitoring, evaluating, adjusting, and controlling the department's budget.** The Food Service manager should strive to increase department revenues while maintaining the lowest possible food, labor, and overhead costs, by regularly monitoring productivity and making necessary operations adjustments. Operating and financial reports should be developed, and analyzed monthly to identify trends in performance, meals costs and prices, and employee productivity. The Food Service manager should be actively involved in assessing profit and loss for the department, and participate in budget development with the superintendent and board.
- **Recommendation 46: Establish meals-per-labor-hour (MPLH) standards to evaluate productivity and modify staffing.** Employees should only be used for the number of hours needed, and strategies such as staggering shifts and increasing productivity will result in more efficient use of resources.
- **Recommendation 47: Convert the morning snack provided to secondary students to a reimbursable breakfast.** Adding a fruit or vegetable item to the morning snack will qualify the meal as a reimbursable breakfast and allow the district to receive additional federal reimbursement funding.
- **Recommendation 48: Survey the staff and students to assess their level of satisfaction with the food service program, and incorporate the district's available commodities when planning school meals.** The food service staff along with the superintendent should develop a survey to assess the staff and student's food preferences. The Food Service manager and staff should work cooperatively to evaluate surveys and develop action plans to better serve the needs of their customers, adjust menus to incorporate some student requests, and use the available commodities to increase overall participation in the district's meal programs.
- **Recommendation 49: Develop and enforce a board-approved policy to eliminate the practice of student and staff meal charging.** The policy should stipulate what action will be taken to provide a meal to students and staff in the event they do not pay. Enforcing a meal charge policy will help the district reduce costly unpaid balances and related administrative efforts.
- **Recommendation 50: Purchase and implement the use of an electronic point-of-sale (POS) system for its food service program.** The district should also ensure that the staff, the department manager, the technology coordinator, and another cafeteria staff are provided appropriate training on the system's use and capabilities.
- **Recommendation 51: Develop performance standards and procedures to track, monitor, and evaluate performance and efficiency of the district's transportation operations.** The superintendent should designate an existing transportation staff member to serve as the contact person ensuring established procedures are followed. The superintendent and transportation staff should evaluate all routes to ensure efficiency, develop turn-by-turn driving instructions for each route in accordance with state requirements, and verify bus capacity is best utilized.
- **Recommendation 52: Eliminate the practice of claiming reimbursement funding from TEA for counting riders and mileage for transporting out-of-district students.** The district should work with TEA as they review their practice of claiming reimbursement funding for transporting out-of-district students.
- **Recommendation 53: Develop and implement a formal bus replacement plan.** The plan should be based on an analysis of the age, condition, and capacity of each bus in the fleet. The bus replacement plan should remain flexible, anticipate changes in student enrollment, and be tied to the district's budget.
- **Recommendation 54: Develop a detailed schedule of preventive maintenance actions, and a daily**

inspection checklist to be performed on all district vehicles. The daily inspection checklist should be used to document preventive maintenance and daily inspections on the district's buses. Use of a daily checklist will certify that buses and vehicles are monitored daily for performance, and maintenance requirements are immediately identified. The documentation will create a useful operational history for each bus.

- **Recommendation 55: Implement and maintain a fuel consumption log for all authorized use of district fuel, and keep fuel pumps locked when not in use.** The fuel pump should have access controls to limit all usage to district needs and requirements. The outdoor storage tanks should be locked, with access provided only to authorized personnel. Fuel consumption by each vehicle should be recorded and maintained to help the district in its budget process.

DETAILED ACCOMPLISHMENTS

FITNESS CENTER

HIISD encourages healthy living concepts by acquiring alternative funding to provide a well-equipped fitness center for use by students and staff.

In 2002, HIISD acquired grant funding to provide a state-of-the-art fitness facility within the district for use by students and staff. The district was provided with curriculum materials and fitness equipment worth approximately $218,901 through a program offered by the National School Fitness Foundation (NSFF). The district agreed to pay upfront for the facility's equipment and NSFF indicated it would reimburse the district with funds the foundation received from grants and donations. The NSFF helped schools accepted into the program set up a three-year lease to purchase needed equipment. HIISD's lease was financed through Wells Fargo Bank. HIISD paid the monthly installments and billed the NSFF who in return, mailed a check back to HIISD to cover the lease. After the lease period expired, the equipment was to belong to the district with an option of receiving completely new equipment under a similar agreement.

Participating schools were required to provide assessment results on a regular basis and the foundation reportedly used the data gathered from specially designed exercise equipment for ongoing research studies and to promote healthy lifestyles to students. To qualify, HIISD needed an adequate sized facility of at least 1,800 square feet and had to be willing to follow a specific curriculum and have sufficient staff to run a fitness program.

One of the classrooms in the newly constructed middle school was converted into a fitness center to house the exercise equipment. Equipment in the fitness center includes two treadmills, two recumbent bikes, twelve steel steppers, one elliptical trainer, seven cardio monitors, and a variety of weight-lifting equipment. The fitness center is available for use by staff and students each day. Participants must go through a training session with one of the HIISD coaches prior to using equipment.

Unfortunately, the NSFF stopped making reimbursements to districts and subsequently filed for bankruptcy in June 2004. The district had to make three installment payments totaling $19,316 from the General Fund until arrangements made between the McDaniels Foundation and Wells Fargo on behalf of the HIISD resulted in a loan settlement pending litigation against the NSFF. The McDaniels Foundation negotiated payment to Wells Fargo, allowing HIISD to retain the athletic equipment. The district is considering making the facility available for community use.

CAFETERIA MAINTENANCE

HIISD ensures cleanliness and compliance in the district's cafeteria, resulting in four consecutive years of special achievement recognition from the county health district.

The Food Service manager and cafeteria staff work diligently to maintain facilities and equipment within the department. In addition to making sure all food items are appropriately received, stored, prepared, cooked, and chilled, the cafeteria staff developed a daily and weekly cleaning routine to guarantee the kitchen and cafeteria are well-maintained.

The cafeteria staff works to disinfect food prep and serving areas, cafeteria tables, and restrooms daily. In addition, the staff uses an industrial scrubber to clean the cafeteria floor after all meals have been served each day. Kitchen stainless steel is wiped down with appropriate cleaners each Friday, while all trash and food waste is disposed of daily.

The Galveston County Health District (GCHD) conducts routine retail food establishment inspections of HIISD, including observation of these:

- proper cooling for cooked/prepared food;
- proper cooking temperatures;
- proper/adequate handwashing among personnel;

- hygienic practices among personnel;
- proper handling of ready-to-eat foods;
- adequacy of handwashing facilities;
- proper labeling/storage/use of toxic items; and
- cleanliness/sanitization of food contact surfaces.

The last routine GCHD inspection was conducted in February 2006. HIISD received three demerits as the inspector cited that the food contact surfaces of some utensils needed to be cleaned and sanitized.

The cafeteria, kitchen, pantry, walk-in cooler, restroom, and manager's office were all kept orderly and clean. Chemicals were appropriately labeled and stored in a storage closet away from food items. Parents, students, and teachers surveyed expressed an overall satisfaction with the cafeteria's condition and cleanliness as shown in **Exhibit 4-1**.

In March 2006, HIISD was awarded the Gold Ribbon for Special Achievement from the GCHD's Consumer Health Services Division. Sanitarians from the county health district regularly inspect more than 1,500 licensed food service operations in Galveston County. In selecting the recipients of the Gold Ribbon awards, sanitarians nominate exemplary operators from the establishments they are responsible for inspecting. After a review of all nominations and records, final honorees are selected. HIISD received the honor in 2003, 2004, 2005, and 2006.

DETAILED FINDINGS

ORGANIZATION AND MANAGEMENT OF MAINTENANCE AND TRANSPORTATION (REC. 39)

HIISD has not defined and implemented operating guidelines for its maintenance and transportation services.

In 2005–06, the superintendent also served as the director of Maintenance, but provided limited direction to the department. There is no designated supervisor or manager for maintenance or transportation overseeing daily operations and expenditures, supervising staff, coordinating required work and preventive maintenance, or maintaining records and reports used for decision-making and budget development.

The district's maintenance, custodial, and transportation functions are carried out by a total of nine employees. A part-time employee drives the special education route each morning and afternoon. Two of HIISD's teachers also drive daily bus routes. Remaining staff consists of one custodian, four maintenance workers, and an additional transportation employee responsible for maintaining the vehicles, the bus barn, and the maintenance shop. The drivers report bus problems to the transportation employee who performs limited repairs and maintenance. The custodian and maintenance staff are responsible for all other district facilities including the schools, administrative offices, gymnasium and dressing rooms, and agriculture shop. The custodian and one maintenance staff cleans the elementary, middle, and senior high schools. Two of the maintenance workers drive bus routes each morning and afternoon, weed and mow all school grounds, and clean the field house, gymnasium, weight room, and science lab. The fourth maintenance staff is licensed to operate the wastewater treatment facility, and serves as the coordinator for all maintenance and grounds functions, but has not been given supervisory duties.

In 2004, the Regional Education Service Center IV (Region 4) conducted a review of the maintenance, custodial, and transportation functions at HIISD, to define staff responsibilities and create districtwide standard operating procedures. Region 4 recommended that HIISD develop a master working schedule, define essential duties and daily routines for each staff member, assign weekly custodial tasks, and create a detailed program of facilities preventive maintenance.

EXHIBIT 4-1
HIISD FOOD SERVICE SURVEY RESPONSES
FEBRUARY 2006

RESPONDENT	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
CAFETERIA FACILITIES ARE SANITARY AND NEAT.					
Parents	28.0%	63.0%	6.0%	3.0%	0.0%
Students	6.0%	71.0%	20.0%	3.0%	0.0%
Teachers	45.0%	55.0%	0.0%	0.0%	0.0%

NOTE: Percentages may not add to 100 percent due to "rounding."
SOURCE: HIISD School Review Surveys, February 2006.

HIISD has not developed job descriptions for departmental staff, and lacks documented policies or procedures providing minimum expectations and guidelines for job performance. The district does not have an operating plan or guidelines to identify and prioritize maintenance needs, and establish an implementation schedule to ensure critical maintenance issues are addressed. The Region 4 report was provided to the review team as the preventive maintenance plan and maintenance records. During the on-site visit, employees said they just know what needs to be done because they have done things the same way for years. There is no clear line of supervision or authority. HIISD relies on the personal judgment of employees to carry out many job responsibilities.

The review team identified deficiencies similar to those identified by the analysis conducted by Region 4, including these:

- no formal technical training for employees;
- no established inventory program;
- lack of time-saving equipment used to increase worker productivity; and
- no preventive maintenance plan.

These issues have caused confusion regarding job responsibilities and workload distribution. Although the grounds were well maintained, and the district's high traffic areas were clean, there were areas that were not well maintained. Restrooms in the gymnasium lobby were unsanitary, gym windows were boarded, missing soffit at the middle school exposed framing and insulation, and the bus barn and maintenance shops were unclean. Many student lockers were open during the school day with books, papers, and personal belongings exposed or on the floors. Several fences and walkway canopies damaged by Hurricane Rita in September 2005 were in need of repair or replacement. This damage also included metal fascia hanging from the exterior of several buildings, and rubble and debris from outbuildings on the football field. Maintenance and custodial staff said there is little oversight to ensure maintenance and custodial tasks are adequately performed. Staff said they are capable of making many of the necessary repairs to district facilities, but the superintendent has not identified the projects to be completed either by contractors or in-house resources.

Round Rock ISD (RRISD) has identified cleaning standards for custodians, and has developed procedure manuals for employees of its Maintenance and Transportation departments. This document provides examples which are altered by other districts to fit their needs. These written standards and documents are available at the district's website:www.roundrockisd.org/home/index.asp?page=636.

Each of RRISD's procedures manual covers issues such as employee responsibilities and expectations, corrective discipline measures, on-the-job safety and security practices, and schedules and assignments. **Exhibit 4-2** is an excerpt from RRISD's custodial services cleaning standards.

HIISD should develop and implement operating guidelines providing structure and direction, and establishing priorities for maintenance and transportation services. The district should further consider the recommendations already provided in the Region 4 report. Guidelines should include clearly stated employee expectations, and ensure quality performance and accountability. The district should expand guidelines and staff expectations into job descriptions, annual evaluations, and identification of training needs. The district should consider adopting all-inclusive procedural guidelines such as the RRISD procedure manuals and identified standards. The superintendent should designate a maintenance employee to serve as the contact person to make sure established procedures are followed, and services are adequately provided to students and staff. The district should identify and prioritize operational service issues, and develop a plan addressing them. The superintendent and maintenance staff should develop and maintain a written schedule of projects, with a targeted completion schedule.

STAFF TRAINING (REC. 40)

HIISD has not ensured that its support staff receives mandatory training in accordance with federal laws.

District bus drivers, maintenance, custodial, and food service staff interviewed said they have not received training for bloodborne pathogens exposure. Drivers also stated they receive annual training in fire extinguisher use, certification, and emergency evacuations, but no training in providing services to special education students. Bus drivers indicated they have undergone the state-mandated bus driver training program, and have obtained the required eight-hour recertification every three years. Food service staff attends annual summer workshops, but have not been provided training in bloodborne pathogens exposure. The superintendent and three coaches who drive students to athletic events or other extracurricular activities using district buses and vans, have also not received training on bloodborne pathogens exposure or special education. There was no

EXHIBIT 4-2
RRISD CUSTODIAL SERVICES CLEANING STANDARDS

DUTY	DESCRIPTION	FREQUENCY/DAYS PER WEEK
CLASSROOMS, OFFICES, LABORATORIES, AND AUDITORIUMS		
Sweeping	Sweep/dust all hard floor surfaces.	3 x daily/5 x weekly
Vacuuming	Vacuum all carpet areas.	5 x weekly
Damp Mop	Damp mop entrances, lobbies, and corridors.	5 x weekly
Spot Mop	Spot mop all classrooms.	4 x weekly
Damp Mop	Damp mop all classrooms.	1 x weekly
Dust	Dust all wood furniture including desks, podium, bookcases, shelves, and so forth.	1 x weekly
Bathroom Cleaning	Thoroughly clean and disinfect hand basins, commodes, seats, and covers and paper fittings. Damp mop floors, dust ledges, clean and polish chrome and mirrors. Remove marks from partitions, fill paper and soap dispensers, spot wash walls and partitions daily.	5 x weekly
Clean Glass	Wash and polish all glass entrance doors, check and remove marks from interior glass partitions and glass door panels.	5 x weekly
Wastebaskets	Empty and damp wipe all waste containers. Remove trash from all areas of building.	5 x weekly
SHOWERS, LOCKER ROOM AND WEIGHT ROOMS		
Ceramic Tile	Clean showers, locker rooms, floors, wall of bathrooms with disinfectant.	5 x weekly
Gym floors	Dust mop gym and weight room floors.	5 x weekly

SOURCE: RRISD website, Custodial department, April 2006.

documentation in staff training files verifying completion of training for bloodborne pathogens exposure, or other required training.

By not providing bloodborne pathogens exposure training to its staff, HIISD is not in compliance with Texas Health and Safety Code and federal Occupation Safety and Health Administration (OSHA) standards. District maintenance staff, custodians, bus drivers, and food service staff are susceptible to occupational exposure of bloodborne pathogens, and the lack of training risks the safety and of staff and students. In addition, the district's liability increases tremendously when transporting disabled children if adequate and responsible training is not given to its special education transportation personnel. Though not required, special education training expands a driver's knowledge and understanding of the unique needs of handicapped individuals while being transported in district buses or vehicles. Extensive and meaningful training for support staff reduces safety risk and ensures quality services.

The National Education Association identified some key training topics for custodians and maintenance employees as these:

- building security;
- asbestos;
- bloodborne pathogens;
- operation of hazardous equipment;
- hazardous chemicals use;
- accident and injury prevention; and
- time management.

Chapter 81 of the Texas Health and Safety Code and the OSHA's Bloodborne Pathogens Standard requires employers to ensure all employees with occupational exposure participate in a training program provided at no cost to the employee during working hours. Bloodborne pathogens exposure training must be provided at the time of initial assignment for positions where occupational exposure may occur. Refresher courses are required annually thereafter.

Region 5 provides districts with a variety of training materials and videos. As a rule, registered nurses are qualified to conduct training on bloodborne pathogens exposure. Others who may provide training include licensed vocational nurses, and safety/health instructors who have received special training, or who have job experience conducting OSHA Bloodborne Pathogens training.

HIISD should evaluate support staff training needs and ensure employees are provided mandatory training in accordance with federal law. The designated supervisor of each support function should maintain employee training records that reflect initial and annual training completed. The supervisor should also remain abreast of changes and additions to training requirements, and make sure staff is in compliance with federal laws.

All HIISD staff with occupational exposure should immediately receive training in bloodborne pathogens exposure as required by federal law. The district should provide maintenance and transportation services staff monthly or quarterly in-house safety training sessions, including other areas of need as identified by the district. HIISD should explore free training materials such as videos and workbooks that could be viewed during the workday at the district's facility.

The district can satisfy some training requirements through existing resources such as Region 5 or the Gulf Coast Special Education Cooperative. The Texas Comprehensive School Health Network provides a free-loan Health/HIV resource library including videos, models and kits. There are many training materials available from the National Safety Council (NSC) including a kit for bloodborne pathogens compliance. The NSC also offers an OSHA-accepted online alternative to classroom training. The training package provided by the NSC for bloodborne pathogens compliance is a facilitator kit which includes a CD and 10 participant guides for a nonmember fee of $125. The district should provide this training immediately, and annually thereafter to all bus drivers, all licensed substitute drivers, maintenance staff, custodians, and food service staff. The fiscal result of providing the required federal training on bloodborne pathogens exposure for up to 10 staff is $125 per year.

FACILITY PLANNING (REC. 41)

HIISD lacks a long-range facility plan to effectively monitor and manage its facilities.

HIISD serves students in a high school, middle school, and elementary school, all located on one campus. The district maintains approximately 83,627 square feet of facilities and 15 acres of land, including football, softball, and baseball fields. The high school was constructed in 1949, and the gym was added in 1954. The science, and homemaking wings, and elementary school were added in 1962. The bus barn is a metal structure built in 1980. HIISD completed the middle school construction in 2001, which includes a modern school kitchen and cafetorium. The science lab and library located in the high school have undergone major renovations in the last few years. **Exhibit 4-3** shows the approximate square footage of HIISD facilities. The district has a separate facility used as the central administrative office, in addition to nine area teacherages and two mobile home lots available for rent to the superintendent and teaching staff as living quarters.

EXHIBIT 4-3
HIISD FACILITIES SQUARE FOOTAGE

BUILDING	SQUARE FOOTAGE
Main Building/High School	25,373
Middle School	15,823
Gymnasium	18,731
Dressing Rooms	2,268
Science/Homemaking	3,137
Elementary School	6,975
Agriculture Shop	3,320
Maintenance Shop	3,000
Bus Barn	5,000
TOTAL SQUARE FOOTAGE	**83,627**

SOURCE: HIISD superintendent's office, April 2006.

When planning for the middle school construction, HIISD organized a planning committee comprised of community stakeholders, board members, the Maintenance director, and an architect. The new middle school has allowed the district to remove previously used portable buildings. Since construction of the new middle school facility, the district has not conducted any facility-needs analysis.

There are obvious maintenance needs throughout the district's buildings and teacherages, including hanging sheet metal and fascia, missing soffit, rusted walkways, missing walkway canopies, boarded windows, downed fences and trees, and damaged roofs. HIISD facilities were damaged during Hurricane Rita, with considerable damage sustained by several buildings and fences throughout the district. The elementary school was flooded and unfit for use after the hurricane. Since then the school received a variety of repairs, including carpet replacement, new paint, and roof repairs. Students and staff returned to the elementary school for classes in January 2006. As previously stated, as of April 2006, the rubble and debris from hurricane damaged outbuildings remained untouched on the football field. Many of the identified repairs incurred as a result of the hurricane

had not been completed. As of the time of the review, HIISD had not received all the funds due from insurance claims for property damage.

Although damage caused by the hurricane became the district's priority, there are no current methods to identify ongoing facility needs and establish a priority for completing repairs. Maintenance and custodial staff said they have not been asked to assess the district facilities condition. They also said that the superintendent approves repairs as the district can afford them. There has not been an advisory committee or organization in the district to provide for future planning for changes in enrollment, building use, or program development since the district planned for the construction of the middle school in 2000.

As part of the HIISD maintenance, custodial, and transportation functions performance review, Region 4 identified these long-range considerations for HIISD:

- carpet replacement in the high school;
- door replacement in the courtyard entry;
- completion of painting of newly installed canopies and existing canopy support structure;
- purchase of larger mowing equipment;
- painting district teacherages;
- installing computer maintenance management system;
- purchase of new buses;
- hiring contractor for large-area lawn care; and
- purchase additional custodial cleaning equipment.

At the time of the on-site visit, the majority of Region 4's recommendations had not been implemented. Districtwide long-range plans are vital tools to maintaining, expanding, and extending the life of the school, and taxpayers' largest investment of school facilities. Facility planning is critical to district success as it coordinates its educational programs, physical space, and resources. Long-range planning can extend from five to ten years into the future, and becomes a living document that has community, board, and administrative support. Long-range plans help guide a district in budget planning, building, renovating, and staffing.

The facility long-range plan details an organized strategy for first evaluating the current conditions of the existing district facilities, then making sure capital investments are managed responsibly. A long-range plan assists in evaluating and determining replacement for carpets, painting cycles, roof inspections, roof repairs and replacements, sealing for asphalt parking lots, air conditioning system replacement, in addition to many other building components. The long-range plan also incorporates future change in the methods of educational service delivery, such as integrating technology into libraries and classrooms.

An important component of facility planning is a facilities assessment. Many districts invite the community to participate in facilities planning through community advisory committees. An advisory committee may be tasked to develop an assessment of existing facility needs; advise the board on immediate, short-term, and long-term facility issues; develop a facility needs priority list; and recommend realistic facility additions and/or improvement programs.

TEA publishes the *Financial Accountability System Resource Guide (FASRG)*, containing this statement:

> "Facility planning and management of construction or renovation projects are significant activities for most districts. Planning for facilities based on student growth, programmatic needs, and legislative requirements is essential to provide for student needs without overcrowding, use of substandard facilities, or use of costly portable alternatives. Active management of construction projects can provide cost control, ensure quality of workmanship, and help ensure timely completion".

The *FASRG* stipulates a district should have board-approved facilities management policies that:

- Provide for a board-approved facilities master plan.
- Identify short-term and long-term facilities needs which are included in the district's master plan.
- Provide for publication and dissemination of policies and facilities master plan to staff and community members.
- Include guidelines for determining the priority needs for facilities including but not limited to health and safety of students, health and safety of employees, instructional needs, efficiency of operation and cost effectiveness.
- Provide a methodology which addresses emergency facility needs.

- Provide for an annual review and revision of the facilities master plan.
- Funds budgeted for short-term and long-term projects on an annual basis in accordance with an approved facilities master plan.
- Various sources of financing facility needs evaluated and utilized to meet district needs.
- Contain a five-year projection of needs with a corresponding financial plan.

HIISD should develop and implement a formal facility master plan addressing ongoing facility maintenance and identifying future building needs. The district should further consider the recommendations already identified in Region 4's report. HIISD should establish an advisory committee of maintenance staff, parents, teachers, and other community members to assess the district's facility needs. The committee should address the issue of identifying maintenance needs, and evaluating the present condition of all the buildings and their system components such as roofs, plumbing, heating, ventilation, and air conditioning. The committee should develop a plan that includes enrollment projections, budgeting, source of funds, and a timeline for the completion of any projects. The superintendent and staff should use the information provided by the advisory committee to develop a formal facilities master planning document to present to the board for approval.

PREVENTIVE MAINTENANCE PLAN (REC. 42)

HIISD has not formally developed and implemented a comprehensive preventive maintenance plan to maintain district facilities, including a work order system to record completed tasks.

There is no documented preventive maintenance plan, and few preventive maintenance actions are carried out in daily district operations.

Exhibit 4-4 shows the district's preventive maintenance schedule adapted from a handwritten document. The list identifies very few actions to be performed by maintenance staff, and there was no documented evidence indicating the actions actually occur.

As part of the 2004 Region 4 review, HIISD was given an example of how to create a checklist for preventive maintenance routine inspections, summarized in **Exhibit 4-5**. The district had no documentation verifying that preventative maintenance tasks are regularly performed.

EXHIBIT 4-4
HIISD PREVENTIVE MAINTENANCE SCHEDULE

ITEM	SCHEDULE
Air-conditioner filters	Monthly on the 1st
Water filters	As needed
Wastewater	Monthly on the 10th
Steamer filters	Before school year begins and Christmas holidays
Lawn mowers oil, air filters	Once a year change

SOURCE: HIISD maintenance staff, February 2006.

The campus and playgrounds appeared well-kept, free of debris, and safe. A member of the maintenance staff regularly inspects playground equipment to ensure its safety. However, buildings in the district are damaged and have unsightly maintenance issues including damage caused by Hurricane Rita. Additional maintenance issues such as rusting facilities and walkways are the result of HIISD's deferred maintenance. Members of the maintenance and custodial staff said tasks are often completed to temporarily patch a problem, leaving continued problems to be dealt with another day. They also said that the superintendent approves the work based on whether the district can afford repairs. The superintendent said there are no outstanding required maintenance actions risking the safety of HIISD's students and staff.

There was no documentation to indicate regularly scheduled preventive maintenance tasks are completed. Requests for service are received both verbally and on written work orders. Work order requests are used to identify maintenance or custodial service needs in HIISD. The maintenance staff said that this is primarily cosmetic needs such as painting doors and rusty vents, or installing nails and screws for teachers to hang pictures from the walls. In addition to lacking basic information regarding preventive maintenance, HIISD's work order system does not include details of work completed, labor and parts information, or a mechanism to track cost data by facility or equipment maintained. Complete work orders often have the word "Done" hand-written to indicate completed repairs, but they are not consistently filed and are often thrown away.

The lack of a comprehensive preventive maintenance program at HIISD has resulted in deteriorating facilities, and the absence of data regarding facility and equipment maintenance costs to help the superintendent and board adequately budget or develop long-term planning for school maintenance and repair.

EXHIBIT 4-5
PREVENTIVE MAINTENANCE PROGRAM
REGION 4 RECOMMENDED GUIDELINES

PREVENTIVE MAINTENANCE SCHEDULE FOR ROOFING

Bi-annual visual roof inspection, which consists of the following procedures:

- Visually inspect for seam separations, seam integrity, patch integrity, and swelling of inner insulation which indicates moisture-impregnated areas;
- Visually inspect for debris detrimental to the rubber roof membrane;
- Remove environmental debris from roof drains (leaves, acorns, etc.);
- Visually inspect integrity of heating-ventilation-air-conditioning (HVAC) mounting curbs;
- Inspect metal roofs for rust, seam separation, and fastener integrity; and
- Inspect operation and replace belts on all fresh air ventilators and intakes.

PREVENTIVE MAINTENANCE SCHEDULE FOR HVAC SYSTEM

Quarterly Services:

- Replace filters on air handlers and roof top package units;
- Inspect and adjust temperature controls on all listed equipment;
- Inspect all compressors and fan motors for proper operation and wear;
- Lubricate all fan motors, water pumps, and bearings on listed equipment;
- Inspect tension and wear on belts for tightness and arching;
- Inspect and clean drain pans and lines as required;
- Check system operation for cooling and heating functions;
- Inspect condenser and evaporator coils for cleanliness;
- Visually inspect for refrigerant leaks and unusual noises or vibrations;
- Check suction and discharge pressures on listed equipment; and
- Check temperature differentials on listed equipment.

Annual Services:

- Clean condenser and evaporator coils on listed equipment (May);
- Calibrate all zone thermostats (May); and
- Inspect all interior side pocket heaters for proper operation (October).

PREVENTIVE MAINTENANCE FOR FREEZER/COOLER EQUIPMENT

Quarterly Services:

- Inspect condensing units for proper operation including fan blades and control covers;
- Inspect and identify any evidence of oil leaks, unusual noises or vibrations;
- Inspect condenser coils for cleanliness;
- Inspect electrical connections for tightness and arching;
- Inspect indoor evaporator coil for icing on the freezer and cooler;
- Inspect all evaporator fans for proper operation;
- Inspect the freezer for ice build up on the floor; and
- Ensure all door heaters are working on the freezer.

PREVENTIVE MAINTENANCE FOR LAWN MANAGEMENT

MULCHING: Install enough cubic yards of fine shredded dark wood mulch once a year in the spring to cover all flower, shrub beds, and tree bases.
CLEAN-UP: Remove all clippings, leaves, pine needles, acorns, dirt and trash from walkways, driveways, and parking lots.
TREE & SHRUB CARE: Keep trees and shrubs trimmed at all times. Maintain tree limb height of 8' from the ground and remove all suckers from trunks each visit.
WEEDING: Weeding of all beds should be done including property easements.
STORM DRAINAGE: Quarterly inspections of courtyard drainage swells, keeping clear of debris to maintain proper drainage.
OTHER:

- Crabgrass and clover prevention and fertilizer once in early March;
- Weed killer for the lawn areas once in the spring;
- Fertilization once in the spring;
- Fertilization late fall/early winter;
- Insecticide treatments for grass and bed areas to kill ants and other insects each visit; and
- Fertilization of all shrubs as needed before and during blooming cycles when appropriate.

Quarterly Services:

- Security Lighting; and
- Playground safety inspection to include:
  - Inspect swing sets, S-hooks, chains, seats, and other connecting devices for tightness, freedom of movement, and overall safety;
  - Inspect all other playground equipment for sharp edges, loose connections, or damage and repair as needed; and
  - Roto-till all fall protection to ensure proper depth of 12 inches around the entire playground.

SOURCE: Region 4's HIISD Master Work Plan, 2004.

Preventive maintenance is based on scheduled inspections, tuning, and minor element replacements, and maximizes the useful life of all building systems. It is often performed based on equipment manufacturers' specifications. A preventive maintenance program is a planned approach designed to avoid equipment breakdowns and prevent minor problems from escalating. By contrast, emergency and corrective maintenance occur when equipment fails, typically requiring more time and resources to correct problems.

Preventive maintenance applies to all building systems and components. Scheduled activities include items such as roof inspections, repainting, door hardware adjustments, and more traditional items such as bearing lubrication and belt replacements on HVAC systems. Preventive maintenance also includes periodic inspections, lubrication, calibrations, and equipment replacement. Regularly replacing filters in an air-handling unit is another example of preventive maintenance.

A task force formed by the National Center for Education Statistics (NCES), and the Association of School Business Officials (ASBO), states that a good maintenance program is built on a foundation of preventive maintenance, starting with an audit of the buildings, grounds, and equipment. Once facility data is assembled, structural items and pieces of equipment can be selected for preventive maintenance. When designing a preventive maintenance program, heating and cooling systems are always a good place to start, but planners should think creatively because there may be other components that would be good candidates for preventive maintenance.

Once items have been selected for inspection, a district must determine the frequency and type of inspections to be conducted. Manuals developed by equipment manufacturers often provide guidelines for the recommended frequency of preventive service. Information must then be assembled into a clearly-defined schedule of preventive maintenance tasks. Completed tasks must be tracked, and recorded including such information as date of completion and the labor/supply costs associated with the task. Record keeping is important for many reasons, including justifying the costs associated with preventive maintenance. Districts that don't have a computerized maintenance management system should track costs manually.

District's that extend the scope of preventive maintenance to include regularly scheduled maintenance work must first identify the facilities and building systems that would require and benefit from preventive maintenance. The next step is to determine the present condition, establish an acceptable level of maintenance, and write preventive maintenance tasks for each facility or system.

A baseline for a district comprehensive preventive maintenance program starts by identifying facility systems and components that should be regularly inspected. Systems may include such items as foundation and substructure, roof systems, exterior walls, interior construction, heating and cooling systems, plumbing systems, and fire protection systems. Once items are identified, information such as quantity, type, size, manufacturer, model, serial number, and location should be maintained in addition to an assessment of each item's condition. Using the assessment will help determine immediate and future levels of preventive maintenance and its estimated end-of-useful-life replacement date.

Scheduling and assigning specific preventive maintenance tasks can be accomplished using a work order system, which helps a district acknowledge incoming requests for maintenance, assign tasks to maintenance staff, confirm work is completed, and track the parts and labor cost. A work order system can be a manual, paper-based, tracking tool. Once a work order reaches the maintenance department, the work is given a priority rating, and then tasked to a staff member. Upon completion of the work order, the maintenance worker documents all labor and parts used to complete the job. Completed work orders should be maintained, and used for analysis of maintenance costs and determining budget needs.

The NCES/ASBO task force states that a good work order system will:

- Acknowledge the receipt of a work order.
- Allow the maintenance department to establish work priorities.
- Allow the requesting party to track progress through completion.
- Allow preventive maintenance work orders to be included.
- Allow labor and parts costs to be captured on a per-building basis (or, even better, on a per-task basis).
- Include job completion time and date.

HIISD should develop and implement a comprehensive preventive maintenance program to maintain district facilities. The district should use Region 4's recommendations as the basis for developing a preventive maintenance program. The superintendent and maintenance staff should review the current facility conditions to identify and prioritize maintenance needs. A preventive maintenance schedule should be developed identifying items for inspection, type of inspection, and frequency. Maintenance records should be maintained for each identified item. The current manual work order process should be expanded to ensure work orders are completed for all maintenance activities and parts and labor costs are recorded.

INVENTORY CONTROL (REC. 43)

HIISD's maintenance and transportation functions lack policies and procedures to properly account for and safeguard equipment, tools, and supplies.

There are no comprehensive policies, procedures, or methods that provide for reasonable accountability and control over equipment, tools, materials, and supplies. HIISD does not safeguard such assets from theft, waste, or abuse. The district does not have a board-approved policy regarding the personal use of district property. In addition, the employee handbook does not address the issue, and there is no documentation addressing the replacement of lost, broken, or stolen tools and equipment.

HIISD maintains an old inventory list of fixed-assets including equipment and tools. The listing was generated from the district's old version of the RSCCC business service system software. The district converted to a new version of RSCCC business services software in 2003, requiring reentry of previous fixed-asset information into the new system. The staff has not updated the new system with previous fixed-asset information, nor have they entered current asset information into the new version. There is a hand-written inventory list of power tools and shop equipment. This list was not dated, and did not identify or describe items with model or serial numbers, date of purchase and purchase price, responsible party, or location. In addition, maintenance lacks an inventory listing of hand tools such as hammers, screwdrivers, and handsaws. Tools are not marked with an engraver or labeling system as public school property. Additionally, the equipment and tools are stored in an unlocked facility at the district. There are no sign-out sheets for tracking the equipment and tool use.

The lack of inventory controls and stated consequences for the loss, damage, or theft of school property has been a problem for HIISD. The superintendent said that the lack of formal inventory controls has resulted in problems with loss and theft of school equipment, tools, and supplies. Without policies and procedures, and inventory controls equipment, tools, and supplies are more susceptible to theft or loss, and can result in increased expenditures in replacing items or operating without an item.

Many districts have developed policies to address personal use of school property by employees. Procedures manuals and employee handbooks often prohibit employees from using district tools and equipment for personal use. For example, Victoria ISD has developed an employee handbook for its maintenance services specifying these policies regarding the use of tools:

- district tools and equipment shall not be taken home for personal use and shall not be loaned out to others for this purpose;
- replacing worn-out tools must be approved in advance by supervisor/director; and
- personal tools are not to be used at work.

The Texas Resource Center for Charter Schools serves as an information resource and strives to improve education by supporting the successful operation of charter schools across the state of Texas. This center provides a sample policy regarding employee use of school property as excerpted in **Exhibit 4-6**.

HIISD should develop and implement comprehensive policies and procedures to control and account for equipment, tools, and supplies. The policy would include issues such as record keeping, accounting for additions, deletions, and transfers, conducting periodic inventories, and reconciling discrepancies. In addition, the policy should address the use or application of school property by district employees and include reference to policy and procedures in the employee handbook. The superintendent should work with the finance officer to ensure that any equipment, tools, and supplies required to be tracked in the RSCCC business system software are appropriately recorded, as discussed in detail in the Financial Management chapter of this report. HIISD should also maintain all tools and equipment in a limited access storage area, and require staff to sign for equipment used.

EXHIBIT 4-6
USE OF SCHOOL PROPERTY: SAMPLE POLICY

The use or application of school property by the school's employees, agents, contractors, and management companies is prohibited as follows:

2. School Property

   A. Employees are personally responsible for all school property entrusted to their care. If an employee fails to return or account for school property issued to him/her, the employee shall be required to pay for such property.

   B. Employees are not permitted to make any personal use of school supplies, tools, equipment, and materials. Employees should not purchase or accept without charge any school supplies, equipment, tools, materials, or other personal property, including salvage items, except as specifically authorized by the school board. In addition, employees are not permitted to take home any school supplies, tools, equipment, or materials without the prior permission of his/her immediate supervisor.

   C. If an employee returns school tools or other materials in damaged condition, and if the damage is found to have been caused by employee neglect or other misconduct, the employee shall be responsible for repair or replacement of the equipment.

SOURCE: Texas Resource Center for Charter Schools, Use of School Property - Sample Policy, April 2006.

ENERGY MANAGEMENT PROGRAM (REC. 44)

HIISD does not monitor energy use and maximize savings in utility costs as part of an energy management program.

HIISD has not adopted board policy to identify conservation goals and assign responsibility for an energy management program to staff. The district has not identified energy management goals, and does not coordinate energy management strategies to keep operating costs down and reduce energy waste, while providing a safe, comfortable environment for student learning.

There is no energy management officer in the district. There are no identified energy management goals, monitored utility costs, or coordinated energy management strategies. HIISD tries to conserve energy during the summer months when most facilities are closed, but procedures or practices have not been implemented to check energy conservation occurs. The review team observed all the building lights on after school hours when the school cafeteria was the only room in use.

In 2004–05, HIISD spent $99,412 providing utilities for 83,627 square feet of facility space. The district budgeted for a 3 percent increase in utility expenses for 2005–06. **Exhibit 4-7** compares the actual expenses incurred in 2002–03 through 2004–05 to the budgeted expenses for 2005–06. The 3 percent increase approved by the board for 2005–06 was based on the potential increase in utility rates, rather than an increase in building space. As shown, the district's 2005–06 budgeted figures indicate an increase of 19.6 percent in total utility expenses since 2002–03.

A comparison of HIISD's utility expenses to that of its peers is shown in **Exhibit 4-8**. In 2003–04, the district's utilities expense per student of $362.98 ranked second highest among its peers.

Without an energy management policy, the district has not established goals and objectives addressing energy conservation. There is no process to monitor energy use, or perform audits that identify energy-inefficient units. As a result, no baseline data is compiled providing the starting point for establishing goals and objectives to help HIISD

EXHIBIT 4-7
HIISD ACTUAL AND BUDGETED UTILITY EXPENSES
2002–03 THROUGH 2005–06

UTILITY	ACTUAL 2002–03	ACTUAL 2003–04	ACTUAL 2004–05	BUDGETED 2005–06	PERCENTAGE INCREASE/(DECREASE) 2002–03 TO 2005–06
Gas/Heating	$2,896	$3,103	$1,983	$3,000	3.6%
Water	3,888	4,278	8,025	7,500	92.9%
Telephone	20,211	12,342	13,415	12,000	(40.6%)
Electricity	58,681	64,305	75,989	80,000	36.3%
TOTAL	**$85,676**	**$84,028**	**$99,412**	**$102,500**	**19.6%**

SOURCE: HIISD general ledger and superintendent's office, April 2006.

EXHIBIT 4-8
COMPARISON OF UTILITIES EXPENSES PER AVERAGE DAILY ATTENDANCE HIISD AND PEER DISTRICTS 2003–04

DISTRICT	AMOUNT
Chester ISD	$368.34
HIGH ISLAND ISD	**$362.98**
Whitharral ISD	$331.81
Vega ISD	$321.38
Silverton ISD	$282.59

SOURCE: Texas Education Agency, Expenditures by Object Code, Fiscal Year Ended August 31, 2004.

achieve more efficient energy management. The utility costs resulting from the lack of energy management continue to increase yearly.

The goal of energy management is to keep operating costs down by reducing energy waste, while providing a safe, comfortable environment for learning. Reaching this goal is complicated. Districts are required to meet federal, state, and local rules and regulations regarding indoor air quality, Americans with Disabilities Act facility modifications, student-teacher ratios, and an extensive list of local priorities that can impact a district's operating budget.

The National Center for Education Statistics *Planning Guide for Maintaining School Facilities* outlines the following guidelines to help districts achieve more efficient energy management:

- Establish an energy policy with specific goals and objectives.
- Assign someone to be responsible for the district's energy management program, and give this energy manager access to top-level administrators.
- Monitor each building's energy use.
- Conduct energy audits in all buildings to identify energy-inefficient units.
- Institute performance contracting when replacing older, energy-inefficient equipment.
- Reward schools that decrease their energy use.
- Install energy-efficient equipment.
- Install motion detectors on lights.

The Texas State Energy Conservation Office (SECO) provides free energy audits to public school districts. SECO will analyze electric, gas, and other data and work with a district to identify energy costs-savings potential. The energy audit only requires the district to sign an agreement stating it is ready and willing to consider implementing the energy management recommendations. SECO also offers a guidebook identifying opportunities for reducing energy costs and increasing energy efficiency in K–12 districts. SECO's Energy Outreach Program provides assistance to schools in setting up student-involved energy projects, and develops energy-related educational materials. For example, Watt Watchers of Texas is a free energy efficiency program for Texas schools sponsored by SECO, the State Comptroller's Office, and the Department of Energy. The program is designed to help districts save energy and money by getting students involved in energy conservation programs.

HIISD should implement an energy management program by developing and adopting a board policy to identify energy conservation goals, and assign the responsibility of cultivating and monitoring the program to an existing staff member. The district should obtain an audit of its facilities and develop methods of reducing energy consumption. HIISD should also consider expanding the energy management program into the student curriculum by obtaining energy-related educational materials. An energy audit, training materials, and student educational materials can be obtained by the district at no cost. SECO states that if teachers turn out lights an extra 2 hours per day, such as during lunch or after school, a district could save $50 per day per room. Assuming HIISD reduces light usage in only 2 rooms for 2 hours each day, the savings would be approximately $18,000 each year, or $90,000 over a 5-year period (2 rooms x $50 each day) x 180 days.

FOOD SERVICE PROGRAM MONITORING (REC. 45)

HIISD has not implemented a system to monitor, evaluate, adjust, or control revenues and expenditures within the Food Service department.

According to HIISD financial audits, the district's Food Service department does not operate profitably. The department is consistently sustained through transfers of funds from the HIISD General Fund. **Exhibit 4-9** presents a summary of the Food Service department's financial operations from 2001–02 through 2004–05.

Revenues over the 4-year period decreased from $106,704 in 2001–02 to $85,569 in 2004–05, while expenditures increased from $111,451 to $121,560 over the same time frame. Transfers from HIISD's General Fund increased by 400

EXHIBIT 4-9
HIISD FOOD SERVICE FUNDS
2001–02 THROUGH 2004–05

COMPONENT	2001–02	2002–03	2003–04	2004–05
Revenues	$106,704	$93,859	$106,599	$85,569
Expenditures	$111,451	$109,220	$138,286	$121,560
(Deficit)	$(4,747)	($15,361)	($31,687)	($35,991)
Transfer from the General Fund	$7,200	$32,524	$31,687	$35,991
Beginning Fund Balance	($19,616)	($17,163)	$0	$0
Ending Fund Balance	($17,163)	$0	$0	$0

SOURCE: HIISD Annual Audit Reports, 2001-02 through 2004-05.

percent over the 4-year period, with a $7,200 transfer made to the food service fund in 2001–02, and $35,991 in 2004–05. In addition, the department does not reimburse the General Fund for expenses such as overhead, utilities, and printing. The increased burden on the General Fund is not being addressed with appropriate budget development and performance monitoring within the Food Service department.

The Food Service manager is not involved in the budget development, review, or adjustment phases of the budget process. The department has not established goals or plans to increase revenues, cut costs, and operate profitably or at break-even status. The manager does not collect data to identify trends or track staff productivity. As such, budget decisions are made by the board and superintendent with no supporting data, or reports to assist in determining financial consequences. The Food Service manager makes decisions within the department regarding the development of menus and staff assignments, but the department's budgeting and costs are controlled by the superintendent and the board.

Exhibit 4-10 shows the trend in HIISD's food service revenues from 1999–2000 through 2004–05. Student enrollment decreased 14.4 percent, while total food service revenues received decreased 18.8 percent. Local revenues decreased 22.5 percent while federal funding decreased 17.1 percent over the same period of time.

Exhibit 4-11 shows HIISD's actual food service revenues per student compared to its peers for 2002–03. With a total of $367 in food service revenue for each student, HIISD ranked the highest of its peers, while Silverton ISD had the lowest revenue per student of $285.

Exhibit 4-12 shows the district's expenditures of $280.11 per student were highest among its peer districts in 2003–04. Chester ISD's food expenses per student were only $139.79.

To help overcome an operating deficit in the Food Service department, the HIISD board approved an increase in meal prices for 2005–06. However, there was no record verifying that the district conducted an analysis of the revenues and expenditures to determine the level of meal price increase

EXHIBIT 4-10
HIISD FOOD SERVICE REVENUES
1999–2000 THROUGH 2004–05

COMPONENT	1999–2000	2000–01	2001–02	2002–03	2003–04	2004–05	PERCENTAGE INCREASE/(DECREASE) 1999–2000 TO 2004–05
Local	$46,455	$44,024	$38,223	$38,868	$49,968	$36,014	(22.5%)
State	0	0	0	970	806	738	(0.00%)
Federal	58,916	51,804	68,481	54,021	55,825	48,817	(17.1%)
TOTAL	**$105,371**	**$95,828**	**$106,704**	**$93,859**	**$106,599**	**$85,569**	**(18.8%)**
Number of students	292	278	279	256	266	250	(14.4%)

SOURCE: Texas Education Agency, F33-Library, 1999-2000 and 2000-01, Audited Financial Statements 2001-02 through 2004-05, and Academic Excellence Indicator System (AEIS), 1999-2000 through 2004-05.

EXHIBIT 4-11
COMPARISON OF FOOD SERVICE REVENUES PER STUDENT
HIISD AND PEER DISTRICTS
2002–03

DISTRICT	LOCAL	STATE	FEDERAL	TOTAL	NUMBER OF STUDENTS	REVENUE PER STUDENT
Silverton ISD	$22,638	$1,027	$46,377	$70,042	246	$285
Chester ISD	$34,954	$782	$33,663	$69,399	204	$340
Whitharral ISD	$21,839	$746	$47,186	$69,771	195	$358
Vega ISD	$46,395	$1,399	$56,715	$104,509	291	$359
HIGH ISLAND ISD	**$38,868**	**$970**	**$54,021**	**$93,859**	**256**	**$367**

SOURCE: Texas Education Agency, F33-Library and AEIS, 2002-03.

EXHIBIT 4-12
COMPARISION OF FOOD EXPENSES PER AVERAGE DAILY ATTENDANCE
HIISD AND PEER DISTRICTS
2003–04

DISTRICT	AMOUNT
HIGH ISLAND ISD	**$280.11**
Vega ISD	$180.60
Silverton ISD	$176.55
Whitharral ISD	$156.36
Chester ISD	$139.79

SOURCE: Texas Education Agency, Expenditures by Object Code, Fiscal Year Ended August 31, 2004.

needed. **Exhibit 4-13** shows the pricing structure for meals served.

A growing burden has been placed on the district's General Fund due to lack of planning and budgeting for the Food Service department. HIISD has compensated for the department's operating deficit for the past several years, with each subsequent year increasing upon that demand. Without proper development, monitoring, evaluation, adjusting, and control of the Food Service department's budget, continued losses and drains on the district's General Fund are likely to occur. When funds are drawn from the General Fund, it reduces the amount of funding available for instructional programs.

Most districts with productive Food Service departments have board-approved policies, procedures, and operating guidelines affecting operations. A district must strive to maintain the lowest possible costs for food, labor, and overhead. In addition, monitoring the department's productivity leads to necessary adjustments for maintaining operations within an established budget.

EXHIBIT 4-13
HIISD STUDENT MEAL PRICES
2003–04 AND 2005–06

MEAL TYPE	2003–04	2005–06
Student Reduced-Price Breakfast	$0.30	$0.30
Student Paid Breakfast	$0.75	$1.00
Adult Breakfast	$1.00	$1.00
Student Reduced-Price Lunch	$0.40	$0.40
Student Paid Lunch K-5	$1.25	$1.50
Student Paid Lunch 6-12	$1.50	$1.75
Adult Lunch	$2.00	$2.50
Guest Tray	$2.50	$2.50

SOURCE: HIISD Food Service department, April 2006.

Dorothy Pannell-Martin's *Controlling Costs in the Food Services Industry, 1998*, recommends 5 financial and operating reports to distribute to cafeteria managers so they can monitor and evaluate operations and take needed corrective actions:

- budget: spells out management's ideals, goals, and objectives in financial terms;
- profit-and-loss statement: a cumulative report that shows how the operation has been doing financially over a period of time;
- balance sheet: provides a snapshot of how the operation is doing at a specific time and tells what the operation is worth and describes its assets (facilities and equipment);
- cash flow statement: shows the cash inflow and outflow for a period of time; and
- performance ratios and trends, including:
  - food cost as a percentage of sales;
  - labor cost as a percentage of sales;

- break-even point;
- inventory turnover;
- participation rates;
- average daily labor costs; and
- average daily food costs.

The key to profitability in food service is to control costs. Managers need to have a working knowledge of what actual costs are, and how to operate within an established budget.

HIISD should implement a process that involves the Food Service manager in developing, monitoring, evaluating, adjusting, and controlling the department's budget. The Food Service manager should strive to increase department revenues while maintaining the lowest possible food, labor, and overhead costs by regularly monitoring productivity and making necessary operations adjustments. Operating and financial reports should be developed, and analyzed monthly to identify trends in performance, meal costs and prices, and employee productivity.

Trends will provide sufficient data upon which to make sound projections. The Food Service manager should be actively involved in assessing profit and loss for the department, and participate in budget development with the superintendent and board. The finance officer should collaborate with the Food Service manager to identify and discuss data for financial reports, and the board should use the reports to approve an appropriate operating budget.

FOOD SERVICE STAFFING (REC. 46)

HIISD does not determine its Food Service department staffing levels based on the number of meals served per labor hour, or the average number of staff hours.

The department's 4 full-time employees provide breakfast and lunch to an enrollment of 236 students. The department also provides lunches to an average of eight district teachers and staff. There is one cafeteria serving all students in grades K–12. The Food Service manager, two cooks, and one dishwasher/cook work an eight-hour shift each day. The manager has cross-trained staff to fill in for each other if the need arises, and there is a sufficient pool of substitutes in the event of employee absence. All cafeteria staff members participate in cleaning the cafeteria after meals are served.

The Food Service manager said that the current staffing pattern was in effect when she began her position. The manager does not know how to effectively staff the department, and does not understand how to implement standard performance measures such as MPLH. There are times during the eight-hour shifts that not all workers are busy. The dishwasher is paid for a full 40-hour shift each week, although HIISD uses a combination of trays and disposable goods to serve meals.

MPLH is a standard efficiency performance measure used as a starting point from which a district can determine appropriate staffing levels. MPLH is the number of meal equivalents served in a given period, divided by the total number of hours worked to produce those meals. The conventional system includes preparing some foods from raw ingredients on premises, using of some bakery bread and prepared pizza, and of dish washing. The convenience system maximizes the amount of processed food and disposable wares used. If the MPLH rate is lower than the recommended rate, either the number of meals served is low or the number of hours worked is high. If a district is not meeting the recommended MPLH, the food service operation should increase the number of meals served, reduce the number of staff, or decrease the hours worked by each employee. **Exhibit 4-14** shows the recommended MPLH staffing guidelines used to evaluate staff productivity.

HIISD uses a combination of the convenience and conventional systems for meal preparation. In December 2005, and February and March 2006, HIISD served an average of 64 student breakfasts, 131 student lunches, 8 adult lunches, and approximately 30 snacks for secondary students after first period. Three breakfasts or snacks are considered the equivalent of one meal, as they are simpler and take less preparation time. HIISD averages approximately 170 meal equivalents each day, with 4 employees working 8 hours each. The daily 32 hours available for food prep and serving are reduced as the Food Service manager spends an average of 3 hours each day performing managerial tasks such as preparing menus, ordering supplies, and configuring claims reimbursement forms. In addition, the food service staff performs the custodial function for HIISD's kitchen and cafeteria, further reducing the total available hours for food prep and serving by approximately 1 hour per person, or 4 hours per day, leaving a total of 25 hours for food prep and serving. The district's MPLH is calculated as shown in **Exhibit 4-15** using a combination of the convenience and conventional system for an average of 170 meals served to determine an average industry standard of 12 MPLH. The

EXHIBIT 4-14
MPLH STAFFING GUIDELINES FOR ON-SITE PRODUCTION

MEAL EQUIVALENTS	STAFF FOR CONVENTIONAL SYSTEM LOW/HIGH	STAFF FOR CONVENIENCE SYSTEM LOW/HIGH
Up to 100	8/10	10/12
101-150	9/11	11/12
151-200	10-11/12	12/14

SOURCE: School Food Services Management for the 21st Century, 5th Edition, 1999.

EXHIBIT 4-15
HIISD MPLH COMPARISON WITH INDUSTRY STANDARD
APRIL 2006

TOTAL MEALS SERVED	TOTAL HOURS WORKED	MPLH	INDUSTRY STANDARD MPLH	MPLH VARIANCE
170	25	6.8	12	5.2

SOURCE: Texas Department of Agriculture, Child Nutrition Program Information System, April 2006; HIISD Food Service department, April 2006; School Management for the 21st Century, 5th Edition, 1999.

department is overstaffed to provide the current average number of meals served to students, which creates an undue financial burden on the department.

HIISD should establish MPLH standards to evaluate productivity and modify staffing. Employees should only be used for the number of hours needed, and strategies such as staggering shifts and increasing productivity will result in more efficient use of resources.

HIISD served an average of 6.8 meals per labor hour in 2005–06. By establishing employee productivity standards to achieve a minimum of 12 MPLH, HIISD would need to reduce its total daily food prep and serving hours worked to 20 hours. HIISD should reduce staffing from four full-time employees to a full-time manager/cook, one full-time employee, and two employees that work staggered five-hour shifts. The average hourly wage for staff in the Food Service department is $9.25. The reduction of 3 hours per day for 2 food service staff would result in annual savings of $14,447 ($9.25 per hour x 6 hours per day x 190 days) = $10,545 total wages + ($10,545 x 37 percent benefits) = $3,902). The total savings would be $14,447 annually and $72,235 over a 5-year period. In addition, the reduction of labor hours would bring the district within acceptable industry standards for food service productivity. HIISD should continuously evaluate required staffing dependent on changes in the number of meals served.

REIMBURSABLE BREAKFASTS FOR SECONDARY STUDENTS (REC. 47)

HIISD does not include all of the components required for a reimbursable breakfast to secondary students, and therefore is not maximizing the federal reimbursement allowed.

Most of the breakfasts are served before school, between 7:30AM and 7:55AM to elementary students. The class schedule allows for a 10-minute break after first period at 8:50AM, and a snack is available to middle and high school students during this time. Snacks offered include milk, a meat item, and bread, but do not qualify as a reimbursable meal under the guidelines of the SBP as the snack lacks a fruit or vegetable serving. HIISD receives no reimbursement for the current snack offered. These snack items are priced separately, and the Food Service manager said this revenue source compensates for some department losses. Participation rates for February and March 2006 indicate an average of 30 middle and high school students take advantage of the opportunity and time to eat a snack between classes.

The SBP operates in the same manner as the NSLP. Free or reduced-price meals must be provided to children from families meeting specified income criteria. The SBP requires breakfasts served to students meet the nutritional standards established by the United States Department of Agriculture (USDA). Meals are planned to include foods from the food guide pyramid, such as milk, meat/meat alternative, fruits and/or vegetables, and whole grain bread/bread alternative. **Exhibit 4-16** shows the traditional food-based menu planning approach recommended by the USDA for students in grades K–12. Under this approach, schools must comply with specific component and quantity requirements by offering four food items including vegetables and/or fruits, milk, two servings of meat/meat alternative, two servings of grains/breads, or one serving of both meat and bread.

HIISD Food Service department should convert the morning snack provided to secondary students to a reimbursable breakfast. Adding a fruit or vegetable item to the snack will qualify the meal as a reimbursable breakfast, and allow the district to receive additional federal reimbursement funding. The Food Service manager said the average snack price is 75 cents per student. Based on February and March 2006 participation, an average of 30 middle and high school students eat the snack every day. Approximately 43 percent of those students are eligible for free meals, 6 percent are eligible for reduced-price meals, and 50 percent pay full price. **Exhibit 4-17** shows the difference in revenue for 30 breakfast meals served if the district changes the snack to a reimbursable

EXHIBIT 4-16
USDA RECOMMENDED MEAL PATTERN FOR BREAKFASTS
GRADES K–12

FOOD COMPONENTS AND FOOD ITEMS	SERVING SIZE
MILK (fluid) (as a beverage, on cereal, or both)	8 fluid ounces
JUICE/FRUIT/VEGETABLE:	
Fruit and/or vegetable; or full strength fruit juice or vegetable juice	½ cup
SELECT ONE SERVING FROM EACH OF THE FOLLOWING COMPONENTS, TWO FROM ONE COMPONENT, OR AN EQUIVALENT COMBINATION:	
GRAINS/BREADS:	
Whole-grain or enriched bread	1 slice
Whole-grain or enriched biscuit, roll, muffin, etc.	1 serving
Whole-grain, enriched, or fortified cereal	3/4 cup or 1 ounce
MEAT OR MEAT ALTERNATIVES:	
Meat/poultry or fish	1 ounce
Alternate protein products	1 ounce
Cheese	1 ounce
Large egg	1/2
Peanut butter or other nut or seed butters	2 tablespoons
Cooked dry beans and peas	4 tablespoons
Nuts and/or seeds	1 ounce
Yogurt, plain or flavored, unsweetened or sweetened	4 ounces or 1/2 cup

SOURCE: United States Department of Agriculture website, www.fns.usda.gov, April 2006.

breakfast meal. Based on the district's 2006–07 federal reimbursement rate eligibility for breakfast meals, and assuming an increase in cost of 15 cents for each meal for the purchase of more food items, daily income will increase $15.00 per day, and $2,700 (**Exhibit 4-17**) annually based on 180 days. The savings for 2006–07 have been reduced by 50 percent allowing for implementation, resulting in a 5-year fiscal impact of $12,150, which is ($2,700 x 4 years) + $1,350 (50 percent of annual revenue).

STUDENT PARTICIPATION IN MEAL PROGRAMS (REC. 48)

HIISD does not adequately communicate with staff and students, or incorporate the district's available commodities in planning district menus.

As of April 2006, the district had not solicited feedback from its students, parents, or staff regarding the taste, quality, or quantity of menu items served. There were no mechanisms to track satisfaction with the quality, taste, and appearance of food served among students, parents, teachers, and administrators. An average of 28.2 percent of students participate in the breakfast program, and 57.7 percent participate in the lunch program.

Teachers at the February 2006 focus group said the students do not find the food appealing, and the amount of food being thrown away continues to increase. They reported that during some lunches, more than half of the trays are dumped by students. Teachers said menu items should be directed at what appeals to kids while maintaining nutritional standards.

In addition, food service staff indicated difficulty in planning for the appropriate number of meals to be served on a daily basis. Morning roll call does not include counting the students that will eat a school lunch.

The Food Service manager said the department staff makes menu planning decisions based on NSLP nutrition standards. The manager said that parent participation in the district is low, and that parents are generally nonresponsive. Cafeteria staff also said elementary students are not encouraged to taste new food items, and there is a greater amount of food wasted among the younger students. Food service staff said there is little communication to them in the event students will be absent from student meals due to field trips or athletic/academic events, resulting in the preparation of too much food which is subsequently not eaten. The food service

EXHIBIT 4-17
COMPARISION OF HIISD 2005–06 NON-REIMBURSABLE SNACK REVENUE AND PROJECTED REIMBURSABLE BREAKFAST REVENUE

CURRENT REVENUE	FREE STUDENTS	REDUCED STUDENTS	PAID STUDENTS	TOTAL
Number served	13	2	15	30
Snack price to student	$0.75	$0.75	$0.75	-
Total daily revenue	$9.75	$1.50	$11.25	$22.50
PROJECTED REVENUE	**FREE STUDENTS**	**REDUCED STUDENTS**	**PAID STUDENTS**	**TOTAL**
Number served	13	2	15	30
Breakfast price to student	$0.00	$0.30	$1.00	-
Federal reimbursement rate*	$1.56	$1.26	$0.24	-
Less cost for additional food items	($0.15)	($0.15)	($0.15)	-
Total revenue per meal	$1.41	$1.41	$1.09	-
Total daily revenue	$18.33	$2.82	$16.35	$37.50
Daily Increase ($37.50 projected revenue - $22.50 current revenue)				$15.00
Annual Increase Based on 180 Days				$2,700.00

* The federal reimbursement rate changes annually in July; the rates used in this chart are for 2006-07.
SOURCE: United States Department of Agriculture website, http://www.fns.usda.gov/cnd/Governance/notices/naps/NAPs.htm; HIISD Food Service department, April 2006; Calculated by Texas Public School Consulting, Inc.

team "brainstorms" for meal planning ideas, and uses the NSLA website and other internet resources for recipes. The staff plan meals based on commodities received, but do not always maximize the use of those food items. For example, staff exhibited reluctance to make bread items from scratch to use the approximate 80 pounds of flour located in cafeteria storage.

The review team administered surveys among teachers, parents, and the district's students in grades 11 and 12 regarding their perception of the quality of HIISD food service. Survey results revealed that 48 percent of students and 28 percent of parents disagree, or strongly disagree, when asked if the cafeteria's food looks and tastes good. Further, 34 percent of students surveyed disagreed, or strongly disagreed, that food is served warm, and 25 percent of students feel they do not have enough time to eat their meals.

Exhibit 4-18 summarizes the perception of HIISD's food quality among parents, students, and teachers.

Parent narratives indicated general satisfaction with the food service program, with one comment stating:

> "The cafeteria is well kept and there is no complaint about food preparation; however, there does need to be an alternative to the menu and the dictates of the federal government food program."

With a closed campus policy and 49.6 percent of the student population eligible for free or reduced-price meals, student participation in school meal programs among HIISD students is low. As a result, HIISD is losing federal revenues and many students may be going without nutritional meals. In addition, not informing food service staff of field trips and other off-campus events that reduce daily student meal participation results in wasted food.

Many districts use a variety of programs to increase student participation in meal programs. For example, Kenedy ISD holds contests in cafeterias to encourage student meal participation. Grades eating the most meals during lunch in a given month are given a small prize. The district also randomly places stickers on the bottom of a few food trays, and awards prizes such as pencils to the students with the winning trays. The Food Service director at Karnack ISD asked students for their food preferences, and teachers turned the request into a graded assignment. Students were asked to identify their breakfast and lunch meal preferences that met required nutritional guidelines, and earned a grade for completion of the assignment. The information was provided to the Food Service director, who then used the information to make adjustments in daily menu planning to provide more appealing meals.

The Texas Association for School Nutrition (TASN) has identified 10 standards of excellence for evaluating food

EXHIBIT 4-18
HIISD FOOD SERVICE SURVEY RESPONSES
FEBRUARY 2006

RESPONDENT	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
THE CAFETERIA'S FOOD LOOKS AND TASTES GOOD.					
Parents	16.0%	41.0%	16.0%	22.0%	6.0%
Students	0.0%	23.0%	29.0%	34.0%	14.0%
Teachers	18.0%	46.0%	27.0%	9.0%	0.0%
FOOD IS SERVED WARM.					
Parents	16.0%	50.0%	19.0%	9.0%	6.0%
Students	3.0%	31.0%	31.0%	31.0%	3.0%
Teachers	18.0%	64.0%	9.0%	9.0%	0.0%
STUDENTS HAVE ENOUGH TIME TO EAT.					
Parents	16.0%	50.0%	16.0%	9.0%	9.0%
Students	0.0%	60.0%	14.0%	11.0%	14.0%

NOTE: Percentages may not add to 100 percent due to "rounding."
SOURCE: HIISD, School Review Surveys, February 2006.

service programs. TASN states that effective programs should:

- identify and meet current and future needs through organization planning, direction, and control;
- maintain financial accountability through established procedures;
- meet the nutritional needs of students and promote the development of sound nutritional practices;
- ensure that procurement practices meet established standards;
- provide appetizing, nutritious meals through effective and efficient systems management;
- maintain a safe and sanitary environment;
- encourage student participation in food service programs;
- provide an environment that enhances employee productivity, growth, development, and morale;
- promote a positive image to the public; and
- measure success in fulfilling regulatory requirements.

HIISD's Food Service department should survey the staff and students to assess their level of satisfaction with the food service program, and incorporate the district's available commodities when planning school meals. The food service staff along with the superintendent should develop a survey to assess the staff and student's food preferences. Sample food service surveys are accessible at the following websites:

http://www.newenglanddairycouncil.org/foodservice/LunchSurvey.pdf#search;

http://www.kais-evals.eu.dodea.edu/kmclunchsurvey.asp; and

http://www.nfsmi.org/Information/high_school_survey_report.pdf#search=%2 (page 68).

The Food Service manager and staff should work cooperatively to evaluate the surveys and develop action plans to better serve the needs of their customers, adjust menus to incorporate some student requests, and use the available commodities to increase overall participation in the district's meal programs.

In addition, teachers should count the students who will participate in lunch meals as part of the morning roll call and provide the meal count to the cafeteria. Campus teachers or administrative staff should also communicate anticipated absences to the Food Service department to avoid the preparation of unnecessary meals.

Assuming HIISD increases meal participation among its students, federal reimbursements will increase and more students will receive nutritionally valuable meals. Based on 2006–07 federal reimbursement rates and the percentage of students eligible for free and reduced-price meals for 2005–06, increasing the average number of breakfasts served

from 64 (2005–06 daily breakfast revenue of $87.68) to 90 (projected daily breakfast revenue of $126.00) will yield an additional $38.32 ($126.00-$87.68) per day in breakfast revenues. Increasing the average number of lunches served from 131 (2005–06 daily lunch revenue of $264.32) to 160 (projected daily lunch revenue of $329.73) will yield an additional $65.41 ($329.73-$264.32) in lunch revenues daily, for total increased revenue of $103.73 ($38.32 increased breakfast revenue + $65.41 increased lunch revenue) each day. Assuming an increase in cost for food and labor, the total daily increase in revenue will be reduced to 20 percent of the total revenue at $20.75 ($103.73 x 20 percent). Based on a 180 day year, HIISD could realize an increase in annual revenue of approximately $3,735 ($20.75 total daily increase x 180 days). The savings for 2006–07 have been reduced by 50 percent allowing for implementation, resulting in a 5-year fiscal impact of $16,808, which is $14,940 ($3,735 x 4 years) + $1,868 (50 percent of annual revenue). The annual revenue will vary as the federal reimbursement rates change annually.

CHARGING FOR MEALS (REC. 49)

HIISD has not fully implemented a policy addressing the charging of meals by students and staff.

The district does not have a local policy addressing the district's position on student and staff meal charges. However, according to the HIISD 2005–06 Parent/Student Handbook, the district does not permit students to charge lunch meals.

HIISD students have the option of bringing cash on a daily basis, or they may prepay for their meals. The practice of allowing students and staff without lunch money to eat a free regular lunch is costly. **Exhibit 4-19** shows the 2005–06 cumulative unpaid meal charges as of April 20, 2006. The total includes $135.75 in charges from staff. Since the on-site visit the Food Service manager has collected some of the outstanding charges.

The Food Service manager tracks these charges for eventual reimbursement from parents and staff, and HIISD occasionally sends notices home with students to collect unpaid balances. The district does not record the unpaid charge balances in its financial records, so the charges have no impact on students and staff who continue to charge meals.

Uncollected charges contribute to program losses. With the free or reduced-price status of the student, there is minimal reimbursement due for meals. In addition, trying to collect the accumulating unpaid charges creates additional administrative work for the manager.

As an alternative to accepting additional charges, many schools offer a low-cost alternative meal to the regular lunch such as a cheese or peanut-butter-and-jelly sandwich, until such time a student's charges are paid.

Meal payment methods are often overlooked by districts. According to the School Review publication *Food for Thought: Ideas for Improving School Food Services Operations* (May 1999), deficits for unpaid meals can result in lost revenues, even from staff, when regular systems do not address such situations.

Glen Rose ISD's Child Nutrition Programs Department uses an innovative technique to inform parents when their child's account is low on funds and needs to be replenished. A commercial software system alerts cafeteria cashiers when a child's cash balance for meals is below the amount necessary to purchase two Type A meals. When alerted, the cafeteria cashier will place a stamp on the hand of the elementary school student to remind the parent. A letter sent to parents at the start of each school year explains this procedure, which reduces the risk of interrupted meal participation for elementary school students. By using the hand stamp, the Child Nutrition Programs Department no longer sends letters to notify parents that their student's account is low on funds. This technique eliminates the time spent and the supplies used to generate letters.

HIISD should develop and enforce a board-approved policy to eliminate the practice of student and staff meal charging. The policy should stipulate what action will be taken to provide a meal to students in the event they do not pay. Enforcing a meal charge policy will help the district reduce costly unpaid balances and related administrative efforts. The fiscal impact would be an annual savings of approximately $485 (**Exhibit 4-19**), with a 5-year savings of $2,425 ($485 annual x 5 years).

EXHIBIT 4-19
HIISD 2005–06 CUMULATIVE UNPAID MEAL CHARGES PER STUDENTS AND STAFF AS OF APRIL 20, 2006

CATERGORY	OUTSTANDING CHARGES
Students	$348.75
Staff	$135.75
TOTAL	**$484.50**

SOURCE: HIISD Food Service manager, April 2006.

POINT-OF-SALE SYSTEM (REC. 50)

HIISD has not implemented a process to accurately track student participation in school meals, and account for funds received.

The cafeteria staff tracks student meal participation manually with a cash register as students pass through the cafeteria serving line during breakfast, lunch, and the morning snack period for secondary students. The cash register is used to count the number of students served free, reduced-price, and paid meals based on the cafeteria staff's knowledge of which students receive each category of meal. A metal cash box is used to receive monies and make change for students. Daily counts are entered manually into a spreadsheet to track the numbers for federal reimbursement claims. In addition, cash is counted only by the Food Service manager who prepares a bank deposit slip before carrying the deposit to the superintendent's office for subsequent deposit.

This manual process of collecting money and identifying students for free, reduced-price, and paid meals does not allow accurate accounting or protect student confidentiality. As snack bar or a la carte transactions are processed through the cash register only as funds received, student participation data is not captured and, therefore, HIISD does not have an accurate accounting of the number of students eating meals and snacks that are actually served. The district may be losing federal reimbursement revenues when meals served to students are not accurately recorded as free or reduced price. Also, the current manual process is labor intensive and adds to the burden of preparing required reports.

A number of districts use electronic POS systems incorporating a pin pad on which students key in an identification number, or a fingerprint scanner, or card swipe which automatically reads the student's information into the computer system. A wide variety of information can be collected, stored, analyzed, and printed from a POS system. A POS system provides total confidentiality for free and reduced price students, eliminates cash or ticket systems, tracks free and reduced price programs, prints daily deposit ticketing showing all cash and checks received, sends account balance and transaction letters or emails to parents, tracks food sales and student participation data, and generates state and federal reports automatically. A POS system can also be configured to provide useful information such as sales by menu item and sales by campus. This type of information is critical to efficient operations of a Food Service department, serving as a management tool for assessing the department's financial operations and determining popular menu items.

HIISD should purchase and implement the use of an electronic POS system for its food service program. Staff, including the department manager, the technology director, and another cafeteria staff should be trained on the system's use and capabilities.

There are many vendors that provide POS software for K–12 schools developed to meet the specific needs of a school cafeteria environment. The estimated one-time cost for installing a POS system adequate for the district's needs is $1,295 for installation of software on the manager's workstation and 1 POS system, and $395 for a pin pad for students to input their identification number, for a total cost of $1,690 ($1,295 installation and POS system + $395 for 1 pin pad). Purchase of the software includes online installation and training.

TRANSPORTATION OPERATIONS (REC. 51)

HIISD does not track, monitor, and evaluate the performance of the district's transportation services to guarantee safe, efficient, and effective operations.

The transportation staff consists of one part-time employee who drives the special education route, and four regular bus drivers who also serve the district in other capacities. Each driver collects route pay in addition to their normal hourly wage or salary from full-time positions. Two drivers are teachers, and two drivers work in maintenance. The district owns a fleet of seven school buses, three passenger vans, two pick-up trucks, one car, and three trailers.

The HIISD superintendent provides limited supervision of the district's transportation and maintenance functions. The Transportation department does not have a designated supervisor or manager to provide oversight of the department's daily operations, supervision for drivers, coordination of required work and vehicle preventive maintenance, or record keeping of state-required data and reports.

HIISD transports approximately 87 students from outlying communities including Gilchrist, Crystal Beach, and Port Bolivar which are approximately 8, 18, and 28 miles from High Island, respectively. **Exhibit 4-20** shows the pay scale for each of the district's bus routes. If an employee drives the Port Bolivar route in the morning and the afternoon, the gross pay would be $50. The district justifies the difference in pay-per-route due to additional distance and drive time. Drivers can also volunteer to drive for extracurricular routes and be paid $7 per hour, not including wait time.

EXHIBIT 4-20
HIISD BUS ROUTE PAY SCALE
2005–06

ROUTE	BUS DRIVER PAY
High Island	$10
Gilchrist	$15
Crystal Beach	$20
Port Bolivar	$25

SOURCE: HIISD payroll officer, April 2006.

Bus routes are not evaluated for efficiency and have not changed in years. The district does not maintain official, turn-by-turn, round-trip descriptions of each route, or a listing of students assigned to the route as required by TEA. Each driver has been employed by the district for many years and said that, by habit, they just know where to pick up the students. District administrators have not ridden in the buses to observe the driver's skills, and none of the bus drivers recall ever receiving a performance evaluation.

Exhibit 4-21 shows the district's average cost per mile compared to its reimbursement received from 2002–03 through 2004–05. As shown, the district's costs per mile exceed its reimbursement received from the state in each year.

EXHIBIT 4-21
HIISD TRANSPORTATION COST PER MILE
2002–03 THROUGH 2004–05

YEAR	STATE ALLOTMENT	DISTRICT COST PER MILE
2002-03	$0.86	$1.10
2003-04	$0.88	$0.90
2004-05	$0.88	$1.26

SOURCE: Texas Education Agency, Transportation Operation Reports, 2002-03 through 2004-05.

The lack of adequate management and supervision over transportation service has resulted in a void of operational tools such goals, objectives, and identified performance measures. Basic route documents required by TEA do not exist, and routes are not evaluated to guarantee efficiency and maximum reimbursement funding. As a result, the board lacks adequate data allowing them to make informed choices regarding budget decisions and staffing needs.

Many districts use performance evaluation to measure improvements in cost-efficiency, cost-effectiveness, and service-effectiveness. Performance indicators for measuring the effectiveness of school Transportation departments may include these:

- number of accidents;
- percentage of employees receiving training;
- student discipline incidents;
- age of bus fleet;
- operating costs per mile or per rider;
- ridership versus bus capacity;
- employee attendance rates; and
- percentage of preventive maintenance completed timely.

HIISD should develop performance standards and procedures to track, monitor, and evaluate performance and efficiency of the district's transportation operations. The superintendent should designate an existing transportation staff member to serve as the contact person ensuring established procedures are followed. The superintendent and transportation staff should evaluate all routes to ensure efficiency, develop turn-by-turn driving instructions for each route in accordance with state requirements, and verify that bus capacity is best utilized. The superintendent should provide leadership, guidance, and implementation of defined procedures. In addition to monitoring department performance and making adjustments to meet established standards, the superintendent should provide operation reports to the board, participate in developing the department budget, ensure all department staff receives required training, and perform annual performance evaluations.

TRANSPORTATION TRACKING AND REPORTING (REC. 52)

HIISD does not accurately count and report bus mileage and ridership in accordance with TEA guidelines for transporting out-of-district students.

According to the superintendent, the district transports approximately 87 out-of-district students from outlying communities, including Crystal Beach and Port Bolivar which are approximately 39.2 and 57.4 round trip miles from High Island, respectively, and HIISD includes these students in the TEA transportation reports prepared to obtain state transportation funding. These students have transferred to the district from Galveston ISD, but do not meet TEA eligibility requirements for transportation funding. Districts are required to complete and submit the Route Services

Report (RSR) and the Transportation Operations Report (TOR) to TEA to receive reimbursement funding for transportation expenditures. The RSR reports items such as total annual mileage and the average daily number of riders for both regular and special education programs. The TOR reports items such as the district's type and total number of buses, in addition to identifying all transportation-related expenditures for regular and special education programs. The riders and the mileage accumulated by HIISD buses to transport the out-of-district students should not be included in these reports requesting reimbursement funding from the state. A district may not claim or receive reimbursement funding from TEA for providing transportation services to out-of-district students. Rather, the district must pay for transporting these students with district funds.

In 2005–06, 26 of the 38 special education students were transfer students enrolled in HIISD with special education eligibility. Per the Foundation School Program (FSP) report, in 2002–03 and 2003–04, the district did not report special education route mileage. However, in 2004–05 and 2005–06, HIISD did report special education route mileage. This analysis only includes the transportation route services for the regular program. Further analysis may be needed to determine the effect, if any, of reporting special education mileage.

Based on the mileage for the 2 out-of-district bus routes, HIISD buses travel approximately 34,776 miles annually transporting out-of-district students as shown in **Exhibit 4-22**. The exhibit assumes a 180 day year.

EXHIBIT 4-22
HIISD OUT-OF-DISTRICT BUS MILEAGE

COMMUNITY	ROUND TRIP MILES FROM HIISD	TOTAL DAILY MILES	TOTAL ANNUAL MILES
Crystal Beach	39.2	78.4	14,112
Port Bolivar	57.4	114.8	20,664
TOTAL ANNUAL MILES			**34,776**

SOURCE: HIISD turn-by-turn bus route description, 2005-06.

HIISD bus drivers manually collect information regarding the number of students and the bus miles driven, then submits the information to the superintendent's office monthly. The HIISD superintendent approves the transportation service's operation data, and the finance officer enters the information into TEA's web-based FSP each year.

Exhibit 4-23 summarizes information the HIISD 2002–03 through 2004–05 transportation reports. As shown, HIISD used district funds to pay for 71 percent of the transportation services operating costs in 2004–05.

EXHIBIT 4-23
SUMMARY OF HIISD TRANSPORTATION ROUTE SERVICE AND OPERATIONS REPORTS
2002–03 THROUGH 2004–05

ITEM	2002–03	2003–04	2004–05
Annual Mileage	44,992	44,316	44,316
Annual Ridership	145	181	178
Salaries and Benefits	$78,061	$69,012	$64,257
Purchased & Contracted Services	3,916	8,636	10,728
Supplies & Materials	22,918	27,823	27,968
Depreciation & Other Operating Expenditures	10,234	25,519	27,641
Debt Service	6,617	0	2,300
Total Operations Cost	$121,746	$130,990	$132,894
Total State Allotment	$38,693	$38,998	$38,998
Percentage of Cost Funded by HIISD	68%	70%	71%

SOURCE: Texas Education Agency, Transportation Services Report and Transportation Operations Reports, 2002-03 through 2004-05.

HIISD's transportation services costs for out-of-district students include fuel, maintenance, and repairs for three district buses and bus driver pay for three daily routes. Drivers for these routes are paid $20 and $25 per route, per day, for a daily total of $90. Assuming a 180 day school year, the cost totals $16,200 before benefits for driver salaries.

In addition, mileage for transporting out-of-district students is not eligible for TEA reimbursement funding. **Exhibit 4-24** shows the approximate over-funded amount received by HIISD from 2002–03 through 2004–05. The total estimated overage for the 3 year period is $91,113.

The TEA *Handbook on School Transportation Allotments* states a district may receive reimbursement funding for transporting these categories of eligible students:

- a student that legally resides two or more miles from his/her assigned campus of regular attendance; or
- a student that legally resides in a designated hazardous area within two miles of his/her assigned campus of regular attendance; or

- an inter-district above-grade transfer student (a student whose grades are not available in their resident district).

HIISD should eliminate the practice of claiming reimbursement funding from TEA for counting riders and mileage for transporting out-of-district students. The district should work with TEA as they review their practice of claiming reimbursement funding for transporting out-of-district students.

EXHIBIT 4-24
HIISD TRANSPORTATION FUNDING OVERAGE
2002–03 THROUGH 2004–05

COMPONENT	2002–03	2003–04	2004–05
Actual miles	44,992	44,316	44,316
Less out-of-district miles	34,776	34,776	34,776
Net eligible miles	10,216	9,540	9,540
Reimbursement rate per mile	$0.86	$0.88	$0.88
Total eligible reimbursement	$8,786	$8,395	$8,395
Amount over-funded by TEA	$29,907	$30,603	$30,603

SOURCE: Texas Education Agency, Transportation Services Report and Transportation Operations Reports, 2002-03 through 2004-05; HIISD turn-by-turn bus route description, 2005-06.

BUS REPLACEMENT PLANNING (REC. 53)

HIISD lacks a plan or budget to allow for regular bus replacement.

The superintendent stated HIISD purchases buses as funds become available. The district has not budgeted for future replacement buses.

HIISD owns six regular buses, one special education bus, three fifteen-passenger vans, two pick-up trucks, three trailers, and one car. The car is used for driver education, district personnel traveling, and school business. A 2006 Thomas bus is used to transport the district's special education students to and from services received at a special education cooperative. The cooperative provides the bus to HIISD at no cost. A 1981 International bus and a passenger van are currently parked and inoperable, and the district plans to sell both of them. The district's regular route buses averaged 11,452 miles in 2004–05, as summarized in **Exhibit 4-25**.

As of 2004–05, there were 2 buses that were 14 years old, 1 bus has more than 200,000 miles, and the other bus has only 63,526 miles. In addition, 2 other buses exceed 100,000 miles. There were insufficient records of the maintenance and repairs to accurately determine the overall condition of each bus.

HIISD's lack of a bus replacement plan may result in unexpected and unbudgeted expenditures, placing a burden on the district's cash flow. As the fleet's average age and accumulated mileage increases, the district should expect maintenance and repair costs to increase significantly. With buses costing approximately $65,000 each, HIISD may face a large capital expense if forced to replace multiple buses within the same year.

The National Association of State Directors of Pupil Transportation Services released an issue paper on school bus replacement. The issue paper recommends districts to replace large buses every 12–15 years, or when a bus reaches 250,000 miles, and replace small buses every 8–10 years, as the operating costs tend to increase significantly beyond these timeframes. Districts that establish replacement plans

EXHIBIT 4-25
HIISD REGULAR BUS FLEET
2004–05 BUS MILEAGE, AGE, AND ENDING MILEAGE

ROUTE NUMBER	MODEL	DATE OF PURCHASE	AGE IN YEARS	2004–05 MILEAGE	2004–05 ENDING MILEAGE
1	1992 International	April 1992	14	4,529	206,262
2	1995 International	July 1995	11	12,444	136,343
3	1999 Bluebird	February 1999	7	11,626	104,627
4	1992 International	January 1992	14	1,584	63,526
5	2001 Freightliner	July 2004	2	27,076	55,455
AVERAGE			**10**	**11,452**	**113,043**

SOURCE: HIISD vehicle and equipment listing and transportation mileage logs, April 2006; HIISD finance officer, April 2006.

based on an analysis of the fleet's age, mileage, condition, and the district's capacity needs gain maximum use of their buses. Replacement plans also allow districts to budget funds for the orderly bus replacement.

HIISD should develop and implement a formal bus replacement plan. The plan should be based on an analysis of the age, condition, and capacity of each bus in the fleet. This will help the district guarantee that buses wear similarly, and that bus mileage is accumulated evenly. Rotation of buses may also help identify which route combinations most evenly accrue mileage. The bus replacement plan should remain flexible, anticipate changes in student enrollment, and be tied to the district's budget.

District administrators should consider enrollment trends, annual mileage driven by fleet buses, and condition of roads traveled when planning for bus replacement. Rural routes requiring travel over gravel and/or inadequately maintained roads can cause additional wear and tear on a fleet.

Based on an evaluation of the age and mileage of the district's bus fleet and the annual mileage per bus, HIISD should sell or scrap the oldest bus with the greatest mileage, and subsequently plan and budget for purchasing one new bus every three years beginning in 2007–08. The district should budget approximately $65,000 for each bus purchase. The total fiscal impact would include an approximate capital outlay of $130,000, with $65,000 in 2007–08, and $65,000 in 2010–11. Assuming that the district's annual mileage (see **Exhibit 4-25**) per bus remains about the same, the Route 1 bus should be replaced in 2007–08, and the Route 2 bus should be replaced in 2010–11. **Exhibit 4-26** shows the estimated annual mileage increase (based on the 2004–05 ending mileage plus the 2004–05 annual mileage) and the current age of the district's buses. Although none of the buses will exceed the recommended replacement mileage of 250,000 miles, the Route 1 and 2 buses will exceed the recommended replacement age for a large bus of 12-15 years when replaced. The district should implement this replacement plan beginning in 2007–08.

VEHICLE PREVENTIVE MAINTENANCE (REC. 54)

HIISD lacks a comprehensive vehicle preventive maintenance plan, and daily inspection checklist for district buses and vehicles.

The district has designated a staff member to serve as the on-site bus mechanic responsible for maintaining all buses and vehicles. However, this employee is not Automotive Service Excellence certified, and has limited capabilities. This employee visually inspects buses and conducts a pre-trip inspection daily before the morning bus route. This individual follows up with bus driver concerns to sustain operability, but vehicle maintenance and pre- and post-trip inspections on buses are not documented. Preventive maintenance activities are not recorded, and district records do not document the maintenance performed or repairs made to district vehicles.

HIISD preventive vehicle maintenance is limited to fluid and filter changes. Spare parts and supplies are not stored in the bus barn, but are purchased as needed. If mechanical issues arise beyond the scope of the on-site employee's capability, the superintendent receives a request to transport the vehicle to Beaumont for repairs. There is no checklist of items to be routinely checked by the mechanic to keep the fleet running safely. The district does not maintain daily logs or checks of each vehicle, or require documentation of routine daily maintenance performed, such as checking oil levels, operable signals, and horns.

Thorough inspections and appropriate preventive maintenance minimizes the potential for accidents or

EXHIBIT 4-26
HIISD ESTIMATED INCREASE IN BUS MILEAGE
2005–06 THROUGH 2010–11

ROUTE NUMBER	AGE IN YEARS 2004–05	2004–05 ENDING MILEAGE	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
1	14	206,262	210,791	215,320	219,849	224,378	228,907	233,436
2	11	135,343	148,787	161,231	173,675	186,119	198,563	211,007
3	7	104,627	116,253	127,879	139,505	151,131	162,757	174,383
4	14	63,526	65,110	66,694	68,278	69,862	71,446	73,030
5	2	55,455	82,531	109,607	136,683	163,759	190,835	217,911

SOURCE: HIISD vehicle and equipment listing and transportation mileage logs, April 2006; HIISD finance officer, April 2006.

disabled vehicles. Preventive maintenance is intended to minimize, or anticipate potential system or component failures before they occur. Examples of preventive maintenance include periodic oil changes, vehicle tune-ups, and replacement of light bulbs.

The United States Department of Transportation suggests that pre- and post-trip inspections on buses should at least include an inspection of these safety systems:

- steering;
- brakes;
- headlights, clearance and identification lights, turn signals, stop lights, tail lights, and tag lights;
- mirrors;
- back-up alarms;
- tire inflation, sidewall, and tread condition;
- fuel/hydraulic/cooling systems for obvious leaks;
- door operation and proper interlock operation;
- passenger signal system;
- radio;
- lift, full cycle and securement devices;
- horn;
- fire extinguisher, first aid kit, flares, triangles, and dragging equipment;
- windshield wipers/washers;
- broken stairs or other tripping hazards;
- loose seats, grab rails, etc; and
- operational emergency exits (roofs and windows).

HIISD should develop a detailed schedule of preventive maintenance actions, and a daily inspection checklist to be performed on all district vehicles. The daily inspection checklist should be used to document preventive maintenance and daily inspections of the district's buses. Use of a daily checklist will certify that buses and vehicles are monitored daily for performance, and maintenance requirements are immediately identified. The district's bus drivers are assigned to specific buses and specific routes, so they are familiar with the vehicle's operations and are more likely to notice changes in operation or performance. The documented daily inspections will create a useful operational history for each bus, and in the event of a safety incident documentation can be provided verifying that a bus was roadworthy before it left the bus lot.

All maintenance, repairs, inspections, and fuel usage should be documented and maintained in files for each bus or vehicle. The superintendent or designee should monitor the maintenance schedule for all vehicles and make sure that all items needing repair or replacement are addressed timely.

FUEL CONSUMPTION AND STORAGE (REC. 55)

HIISD does not secure its fuel supply and document fuel consumption.

There are two above-ground fuel tanks located outside the district's maintenance shop. A metal garage door separates the tanks from the two fuel pumps inside the maintenance shop. The track on the metal garage door has rusted and corroded over the years, not allowing the door to slide up and down. The door is stuck open approximately six inches from the ground. To fuel district buses or other vehicles, an individual must pass the hose and dispenser underneath the garage door; walk around to the outside of the building, then pick up the hose to dispense fuel. The alternative is to fill portable tanks while inside the maintenance shop and carry the fuel to the vehicle.

Fuel pumps are inside the maintenance shop, out of the range of sight from outside the building. The building remains open and often unattended during the day, providing open access to the fuel pumps. The fuel pumps are also left unlocked during the day. The superintendent's house is across the street from the maintenance shop, and he stated he visually monitors the shop for unauthorized use after school hours. The superintendent and Transportation staff members said they do not believe unauthorized use or theft occurs as the maintenance shop. According to the staff, the shop is located within sight of most district facilities and unauthorized individuals in the area would be easily noticed.

The fuel pumps are left unlocked during the day, and there are no controls in place to restrict access to unauthorized personnel. Also, HIISD did not have records of the fuel consumption. The district has budgeted $23,000 for fuel purchases for the past several years. In 2004–05, the expense exceeded the amount budgeted by $1,612. **Exhibit 4-27** shows that HIISD's fuel costs per student was highest among its peers for 2003–04.

EXHIBIT 4-27
COMPARISON OF FUEL COST PER AVERAGE DAILY ATTENDANCE
HIISD AND PEER DISTRICTS
2003–04

DISTRICT	AMOUNT
HIGH ISLAND ISD	**$109.93**
Silverton ISD	$60.44
Whitharral ISD	$56.07
Chester ISD	$43.07
Vega ISD	$36.93

SOURCE: Texas Education Agency, Expenditures by Object Code, Fiscal Year Ended August 31, 2004.

The vulnerability of the fuel storage tanks creates the possibility of unauthorized fuel consumption, an increase in unnecessary expenditures, and the risk of fuel-related accidents. The district's lack of proper accounting of fuel consumption to track fuel costs and vehicle fuel performance prevents the district from having accurate data for planning and budgeting purposes. It also limits the district's ability to identify fuel consumption problems with specific vehicles.

The Karnack ISD director of Transportation/Maintenance keeps a manual accounting of all fuel dispensed to district vehicles. Each time a bus, vehicle, lawn mower, or portable tank is filled the information is entered into a fuel consumption log. The information is used to accurately account for all fuel use, calculate vehicle performance, and dissuade unauthorized use of district fuel. Fuel pumps remain locked when not in use.

HIISD should implement and maintain a fuel consumption log for all authorized use of district fuel, and keep fuel pumps locked when not in use. The fuel pump should have access controls to limit all use to district needs and requirements. The outdoor storage tanks should be locked, with access provided only to authorized personnel. Fuel consumption should be recorded and maintained on each vehicle to assist the district in its budget process. The fiscal impact assumes fuel costs would decrease at least 5 percent by controlling the fuel pumps resulting in an annual saving of $1,150 ($23,000 budgeted fuel cost x .05) and a 5-year savings of $5,750 ($1,150 x 5 years).

For background information on Operations, see page 179 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
CHAPTER 4: OPERATIONS							
39. Develop and implement operating guidelines providing structure and direction, and establishing priorities for maintenance and transportation services.	$0	$0	$0	$0	$0	$0	$0
40. Evaluate support staff training needs and ensure employees are provided mandatory training in accordance with federal law.	($125)	($125)	($125)	($125)	($125)	($625)	$0
41. Develop and implement a formal facility master plan addressing ongoing facility maintenance and identifying future building needs.	$0	$0	$0	$0	$0	$0	$0

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FISCAL IMPACT (CONTINUED)

RECOMMENDATIONS	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
42. Develop and implement a comprehensive preventive maintenance program to maintain district facilities.	$0	$0	$0	$0	$0	$0	$0
43. Develop and implement comprehensive policies and procedures to control and account for equipment, tools, and supplies.	$0	$0	$0	$0	$0	$0	$0
44. Implement an energy management program by developing and adopting a board policy to identify energy conservation goals, and assign the responsibility of cultivating and monitoring the program to an existing staff member.	$18,000	$18,000	$18,000	$18,000	$18,000	$90,000	$0
45. Implement a process that involves the Food Service manager in developing, monitoring, evaluating, adjusting, and controlling the department's budget.	$0	$0	$0	$0	$0	$0	$0
46. Establish MPLH standards to evaluate productivity and modify staffing.	$14,447	$14,447	$14,447	$14,447	$14,447	$72,235	$0
47. Convert the morning snack provided to secondary students to a reimbursable breakfast.	$1,350	$2,700	$2,700	$2,700	$2,700	$12,150	$0
48. Survey the staff and students to assess their level of satisfaction with the food service program, and incorporate the district's available commodities when planning school meals.	$1,868	$3,735	$3,735	$3,735	$3,735	$16,808	$0
49. Develop and enforce a board-approved policy to eliminate the practice of student and staff meal charging.	$485	$485	$485	$485	$485	$2,425	$0
50. Purchase and implement the use of an electronic POS system for its food service program.	$0	$0	$0	$0	$0	$0	($1,690)
51. Develop performance standards and procedures to track, monitor, and evaluate performance and efficiency of the district's transportation operations.	$0	$0	$0	$0	$0	$0	$0

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FISCAL IMPACT (CONTINUED)

RECOMMENDATIONS	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
52. Eliminate the practice of claiming reimbursement funding from TEA for counting riders and mileage for transporting out-of-district students.	$0	$0	$0	$0	$0	$0	$0
53. Develop and implement a formal bus replacement plan.	$0	($65,000)	$0	$0	($65,000)	($130,000)	$0
54. Develop a detailed schedule of preventive maintenance actions, and a daily inspection checklist to be performed on all district vehicles.	$0	$0	$0	$0	$0	$0	$0
55. Implement and maintain a fuel consumption log for all authorized use of district fuel, and keep fuel pumps locked when not in use.	$1,150	$1,150	$1,150	$1,150	$1,150	$5,750	$0
TOTAL CHAPTER 4	**$37,175**	**($24,608)**	**$40,392**	**$40,392**	**($24,608)**	**$68,743**	**($1,690)**

CHAPTER 5

COMPUTERS AND TECHNOLOGY

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

CHAPTER 5. COMPUTERS AND TECHNOLOGY

Integration of technology and education is essential to prepare children for a successful future. Achieving this goal requires hardware, software, training, and administrative support. While some technology objectives are mandatory for Texas public school districts, how districts implement them varies from district to district. Some districts may have dedicated technology staff; smaller districts may combine the technology function with one or more other roles.

High Island Independent School District (HIISD) connects its classrooms and offices through a local area network (LAN). The LAN serves the district's education and administrative operations, and consists of T1 lines connecting three servers at the main campus and one server in administration. In addition to administrative offices, the district network serves 19 regular classrooms, and 4 alternative or special program classrooms used by 236 students.

With the exception of the science laboratory, HIISD configures high school and middle school student workstations in fixed laboratories. Elementary classrooms have one or more student computers, but students also share a computer laboratory with the middle school. Located in the high school building, the district library serves all three schools, and includes a computer laboratory primarily for high school use. The high school also houses a wireless computer laboratory reserved primarily for high school technology classes.

All teachers have a computer workstation in the classroom. Teacher workstations are Internet connected, which is how HIISD is meeting its stated Technology Plan goal of Internet connectivity in 100 percent of district classrooms. Most students access the Internet through the computer laboratories. The district has purchased a multi-user license for an Internet filtering program to reduce the risk of students visiting inappropriate websites. The program filters for inappropriate content, and restricts access to sites that may contain harmful materials.

The Regional Education Service Center V (Region 5) Computer Cooperative (RSCCC) software provides application support for the district's financial and student management system. There is a planned upgrade for RSCCC in 2006 that has a grade book function not currently available to users. Region 5 also hosts the district website.

ACCOMPLISHMENT

- HIISD provides graduating students with a digital portfolio of student work, which can be used for seeking employment and completing college applications.

FINDINGS

- HIISD does not have an inventory control process to track its hardware or software assets to reduce risk of loss, strengthen compliance with software licensure requirements, and provide information for making equipment upgrade and replacement decisions.
- HIISD does not ensure that all students and staff have adequate access to technology.
- HIISD does not have defined hardware standards or a documented computer acquisition and replacement plan to ensure that all students and district staff have computers with sufficient capacity to run needed instructional and administrative programs.
- HIISD does not have a comprehensive technology training program to ensure that teachers and other district staff use technology tools effectively.
- HIISD does not have a detailed and documented disaster recovery plan to protect and restore its technology and information in the event of a disaster.
- HIISD lacks fundamental written procedures and accountability standards for technology use increasing the risk of misuse of technology resources.
- HIISD's website is not an effective tool for communicating with parents, students, community members, potential employee, and is not in compliance with state laws.

RECOMMENDATIONS

- **Recommendation 56: Develop and implement an inventory control process to track and control technology hardware and software assets.** HIISD should tag hardware and software assets, create a database with descriptive information about each asset, require staff to sign forms acknowledging staff responsibility for custody and care of assigned assets,

conduct an annual physical inventory to update the inventory database, maintain a central library of software assets, and audit district machines to ensure only authorized software is present. The technology coordinator should develop procedures to support the process components.

- **Recommendation 57: Assign technology to maximize student and teacher access and obtain external resources to address connectivity and system access issues.** HIISD should expand its Technology Committee to include teachers from every campus and develop policies and procedures defining the configuration and access of technology resources for instructional and administrative use. The committee should develop procedures that equitably assign hardware resources, define age appropriate software and Internet access for students, and identify staff access to administrative software functions. The committee should also identify areas where outside expertise is needed to facilitate program access, such as a network expert to develop software access security procedures, or a hardware expert to extend secure wireless access to all HIISD buildings. Once identified, the committee should work with the superintendent to incorporate its recommendations into the annual budget process to obtain a funding commitment.

- **Recommendation 58: Develop and implement computer configuration standards and a replacement cycle to maintain technology with sufficient capacity for current and future instructional use.** With assistance from the Technology Committee, the technology coordinator should develop hardware standards for each grade level, reassign the existing hardware to best meet those standards, and develop an acquisition plan to close any gaps. The acquisition plan should include a replacement cycle considering the overall cost of acquiring and maintaining a technology asset. Acquisition strategies should align identified needs, acquisition schedules, and annually budgeted resources.

- **Recommendation 59: Establish and implement a comprehensive written staff development program to ensure staff achieves proficiency in technology.** The superintendent should assign the Technology Committee the task of establishing and implementing a documented staff development program. The program should define technology proficiency for HIISD staff; specify timelines for achievement of proficiency; identify training needs and courses that should be provided for all identified staff groups; and provide the means to evaluate demonstrated proficiency for teachers, administrators, and other staff.

- **Recommendation 60: Develop and implement a detailed disaster recovery plan to protect and restore technology and information in the event of a disaster.** The superintendent, principal, counselor/curriculum director, and technology coordinator should jointly develop the plan, which should cover all information, records, and systems necessary to fully restore operations. The plan should include procedures for securing and restoring systems, easy-to-locate emergency contacts, and a redundant back-up of all data. The plan should also identify key individuals, define their pre- and post- disaster responsibilities, and document recovery tasks. HIISD should test the plan annually and adjust as necessary.

- **Recommendation 61: Draft policies, procedures and accountability standards for technology use that include appropriate use of Internet, network, software, and hardware resources to reduce the risk of misuse of district technology.** The Technology Committee should develop draft policies, procedures, and standards, and submit them for superintendent and board approval. Procedures should address appropriate Internet use and maintaining proof of license for applications not purchased by the district. They should also provide guidelines for adding or downloading applications to district computers, securing passwords, and for using chat rooms or other electronic communications.

- **Recommendation 62: Develop a process to ensure the district website is kept current, useful as a communication tool, and in compliance with state laws.** The district should assign a staff person to be responsible for reviewing the website content, including the personal web pages being developed by teachers. This position should ensure that all required information is posted on the district website in a timely manner and dated information removed on a scheduled basis.

DETAILED ACCOMPLISHMENT

DIGITAL STUDENT PORTFOLIOS

HIISD provides graduating students with a digital portfolio of their work, which can be used for seeking employment and completing college applications. The portfolio provides first time job seekers with samples of work for prospective employers. Students seeking a design job, for example, may provide samples of artwork demonstrating their familiarity with design concepts. Students seeking entrance to continuing education programs may use the portfolio in their application process when writing, art, or other samples of work are requested.

Developed in 2001, the portfolio project covers student work from middle through high school. The technology coordinator assigns each student a secure screen name and folder on the district network. Students save papers and projects to their folder to create their portfolio. Upon graduation, the coordinator saves selected works to a Compact Disc-Read Only Memory (CD-ROM) disk. According to the coordinator, the portfolio containing writing samples, graphics projects, or other work, provides the means for graduating students to demonstrate talent, skills, critical thinking, and work ethic as they compete for jobs or entrance to higher education.

DETAILED FINDINGS

INVENTORY CONTROLS (REC. 56)

HIISD does not have an inventory control process to track its hardware or software assets to reduce risk of loss, strengthen compliance with software licensure requirements, and provide information for making equipment upgrade and replacement decisions.

It has a substantial investment of funds in hardware and software assets as listed in **Exhibit 5-1**.

As shown in **Exhibit 5-1**, HIISD tracks its technology equipment by totals, instead of as individual items. It does not maintain a database, list, or other compilation describing the district's technology hardware or software by manufacturer, model number, memory, serial number, purchase date, price paid, or other descriptors.

When new technology is purchased, the district does not mark it as district property with labels or bar codes, issue a unique identifier, or enter it into a list to track the location, age, and condition of the machine. Nor does the technology coordinator perform a physical inventory to identify an asset's condition or physical location. In addition, the district does not require staff with assigned classroom or take home computers to sign an acknowledgement that they are responsible for them in the event of loss or damage.

Regarding software, the technology coordinator has not inventoried or catalogued software by machine to guarantee that the district is complying with software licensure requirements. Also, the coordinator does not periodically audit district computers to verify that unauthorized software has not been inadvertently loaded on the machines.

Without a hardware inventory management process HIISD is at risk for loss or waste as it cannot accurately identify the number of computers in its inventory. In April 2006, the review team and the technology coordinator jointly conducted a visual inspection and count of district computers by location. **Exhibit 5-2** compares the actual count to the computer count in the inventory list (**Exhibit 5-1**) and in the district's approved Technology Plan. **Exhibit 5-2** illustrates that there was an unexplained variance of 49 desktop and two laptop computers.

The total count of identifiable desktops was 106, leaving a variance of 49 desktops between the visual count and the 155 noted on the asset list. The 49 unidentified computers may be located in the distance learning/server room in a cache of broken computers that the technology coordinator strips for parts when repairing district computers. However, because HIISD does not track its computer asset inventory, it cannot identify whether or not the cache of stripped computers is the source of the variance, or whether the variance was because equipment was lost, stolen, or disposed of as surplus or obsolete.

The district inventory list showed 30 laptop computers, confirmed by visual inspection of the review team and the technology coordinator. However, the district Technology Plan states that the district received 32 laptops in 2003 through a technology grant. The district has neither documented the disposal of two grant laptops, nor accounted for the variance between the Technology Plan and the district's technology asset listing.

The lack of a detailed hardware inventory with information about each computer's condition or capability also affects the district's ability to make informed decisions about machine upgrades, repairs, or replacement. The technology coordinator decides when to repair, replace, or upgrade machines, but lacks a formal process or inventory information with which to make the decisions. During the replacement

EXHIBIT 5-1
HIISD TECHNOLOGY ASSETS
2006

AREA	DESCRIPTION
Hardware	T1 line from Region 5
	4 Network servers
	Distance learning laboratory with 2 monitors, 4 microphones, 4 speakers and an ELMO projector
	155 Desktop computers with Pentium III (450 MHz or higher) 128 RAM or higher
	30 Dell Latitude wireless notebook computers
	3 wireless access points
	52 Inkjet printers
	7 networked laser jet printers
	3 fiber optic lines connecting to switches
	6 100mb switches connecting buildings
	7 data projectors
	3 digital cameras
	1 digital video recorder
Software	2 Servers - Windows 2000 Server
	2 Servers - Windows NT Server
	90% of all desktop computers – Windows 2000 or Windows XP
	10% of all desktop computers – Windows 98 or NT
	Microsoft Office 2000 and Office XP
	Adobe Acrobat 7.0
	Norton Antivirus Corporate Edition 10.0
	Mavis Beacon Typing Software
	Microsoft FrontPage 2000
	Accelerated Reader
	Star Reader

SOURCE: HIISD technology coordinator, April 2006.

EXHIBIT 5-2
HIISD COMPUTER VARIANCE
2005–06

	COMPUTERS			VARIANCE	
TYPE	INVENTORY LIST	TECHNOLOGY PLAN	VISUAL INSPECTION	(INVENTORY LIST – VISUAL INSPECTION)	(TECHNOLOGY PLAN – VISUAL INSPECTION)
Desktop	155	Not reported	106*	49	Not reported
Laptop	30	32	30	0	2
TOTAL	**185**	**32**	**136**	**49**	**2**

*Included nine desktop computers being repaired in the technology coordinator's office.
SOURCES: HIISD inventory list, HIISD Technology Plan, and visual inspection by review team and technology coordinator, April 2006.

cycle, the coordinator may upgrade machines, but does not document which machines have been upgraded. According to a review of technology purchases for 2003–04 to 2005–06, HIISD purchased 16 new hard drives. Without documentation, however, the district cannot confirm if it used these drives to upgrade older district computers and does not know if it inadvertently replaces upgraded machines before they needed to be replaced.

The lack of a form for district staff to sign, acknowledging receipt and responsibility for technology equipment, makes it more difficult for HIISD to hold staff accountable for assigned assets. An acknowledgement form linking specific inventory to the assignee documents an asset's location, making exchanging or moving inventory more difficult. The form also assigns responsibility for proper care, ensures that employees understand this responsibility, and defines the consequences for loss or damage.

Without an inventory of software licenses or periodic audits to determine the location of all licensed software, the district increases the risk of not complying with software copyright laws. Violations of software licensing laws carry civil penalties, including substantial fines.

In its April 2003 publication, *Helping Schools Make Technology Work: Managing Information Technology from Classrooms to Lunchrooms*, the School Review observed that technology assets are often misplaced or stolen, and that the drain on resources can be stopped by establishing an inventory control system with frequent inventories.

Many Texas districts maintain a detailed inventory of technology equipment and update the inventories as new equipment is purchased and obsolete equipment disposed. Chester and Silverton ISD's, peer districts selected for this review, both have hardware and software inventory management processes. Both districts centrally receive and set up new computers, and enter information into an inventory list. The inventory lists identify the manufacturer, model, year acquired, cost, and serial number. Chester ISD includes a property label to identify the computer as district property. Both districts also physically inventory their hardware annually.

To strengthen and control software, Chester and Silverton ISDs use computer programs that prevent users from loading software on individual machines without administrator privileges. As an additional protection, Chester ISD audits its software to ensure the inventory is accurate and that the district complies with licensure agreements.

HIISD should develop and implement an inventory control process to track and control technology hardware and software assets. The technology coordinator should work with the finance officer to guarantee that the technology equipment is entered into the new RSCCC business system software. As discussed in the Financial Management chapter of this report, the system contains an asset management application to help the district accurately track its assets. In working with the finance officer, the technology coordinator should verify that the technology asset database includes this information at minimum: manufacturer, model number, serial number, hardware capacity (memory), location, assigned staff name, acquisition date, acquisition cost, description, date of major upgrade or repair, and date and method of disposition. The database should also include the estimated age and value for donated assets at the time of donation. To control hardware inventory, the coordinator should tag all hardware, showing that it is HIISD property as soon as it is received.

The technology coordinator should establish an organized library, or single location of licenses to control software. The coordinator should also link licenses to specific machines, or users to reduce the risk of unauthorized sharing.

The district should also require staff with assigned computers to sign an acknowledgement form including a description of the asset, acceptance of responsibility for care of the asset, and any consequences for loss or damage. The technology coordinator should audit district machines annually, and update the inventory list to maintain its accuracy for use in making decisions related to equipment upgrade, repair, or replacement.

The fiscal impact for this recommendation includes a one-time cost for purchasing property labels of $50.

TECHNOLOGY ACCESS (REC. 57)

HIISD does not ensure that all students and staff have adequate access to technology. It assigns its hardware, software access, and Internet access informally, based on individual preferences or abilities.

The technology coordinator assigns newer or more powerful computers or peripheral technology based on a subjective observation of need. For example, teachers receive more powerful computers while aides, who use computers primarily for email and word processing, receive older technology. The coordinator assigns laptops and projectors permanently to teachers who demonstrate a higher use of technology in classroom activities. The district has a technology committee including the superintendent/principal, counselor/curriculum director, technology coordinator, and three teachers, but it rarely meets. The technology coordinator is primarily responsible for all aspects of technology.

HIISD has achieved a districtwide student-to-computer workstation ratio of 2.7 to 1. It is progressing toward meeting

the Texas Education Agency's *Long-Range Plan for Technology 1996–2010* student-to-computer workstation goal of 1 to 1, to be completed by 2010. A majority of the computers are in fixed laboratory arrangements, with more than half of the computers located at the high school. While most of the computers are desktops, the district has 2 wireless laptop carts, each with a capacity for 16 computers. The district permanently assigned one cart to the wireless computer laboratory at the high school. The other cart, stored in a library office, holds laptops that are not permanently assigned or stationed. Teachers may check these laptops out when using one of the district's seven digital projectors.

The technology coordinator permanently assigned laptops from the check-out cart to six regular classroom teachers. According to the technology coordinator, these teachers have exhibited a higher level of classroom technology integration, so they were permanently assigned the laptops and a projector. As a result, the mobile laboratory is no longer available for assignment to individual classrooms.

Although HIISD has a better overall student-to-computer ratio than many districts, the technology coordinator's decisions regarding technology distribution and access has not enhanced student computer use. HIISD has concentrated desktops and wireless laptops in laboratory configurations at the middle and high school levels rather than assigning them to classrooms.

The technology coordinator said that the laboratory configurations were frequently used. However, the during the review team's onsite work, conducted the week of April 7, 2006, the library and wireless laboratory computers were used infrequently. The library computer laboratory sign up sheet showed only one class scheduled for the week of April 3 through April 7. In addition, the coordinator does not maintain laboratory sign up sheets to assess whether the existing configuration improves student use of the technology and make adjustments as needed.

Teachers said that the existing laboratory configuration limited instructional use. Although the laboratory configuration provides more computers than the average district class size, the middle school technology teacher said in some years computer classes exceed the number of available laboratory computers. The teacher adjusts by sending the class to the laboratory in shifts or having students double up on machines.

A combination of connectivity issues and decisions regarding network and software access also limits student access. For example, the middle school technology teacher said the classroom laptop and projector are not Internet connected, limiting their ability to demonstrate certain technology assignments in the classroom. While the laptop has wireless capabilities, the technology coordinator is unable to resolve connection problems between the classroom and the district wireless network.

With the exception of a few elementary or special subject classrooms, students do not have classroom Internet access. Most teacher classroom computers have Internet access, but they are not available for student use. Students must use a laboratory or library computer for Internet research or technology projects. Teachers must hold class in a computer laboratory to demonstrate or integrate Internet resources into a lesson.

Some of the Internet access issues are based on the technology coordinator's security concerns. The coordinator said that student access was limited because the district Internet filtering software does not allow the coordinator to set restrictions to distinguish students by grade level. However, the product's website indicated the software was capable of differentiating access levels based on rules defined by the user organization.

Teacher and administrator access to administrative software is also limited. Each teacher has a personal network folder for storing electronic documents, and there is a faculty network drive allowing staff to share lesson plans and other information. However, teachers do not have access to the administrative software that maintains student attendance, discipline, or grade records. As a result, teachers must report attendance, discipline, and grades manually. Some teachers have purchased personal copies of grade book software to assist them with calculating grades.

Similarly, administrators lack access to the administrative educational software. For example, the counselor/curriculum director is responsible for updating student records for transfer students and calculating their class rank, but does not have access to the administrative grading module that automatically calculates the student's ranking. The counselor/curriculum director manually calculates the rank and has asked the board to obtain software and access to automatically calculate grades and rank.

The technology coordinator said that staff access to the attendance and grade functions in the software was limited in part by his lack of training and experience in managing the software application's security levels. Rather than risk

inappropriate access, the coordinator strictly limits access to all staff. Although HIISD plans on implementing more comprehensive grade book features with the August 2006 release of updated software, it lacks a process for addressing the coordinator's access concerns.

The lack of adequate technology access limits educational services and student learning. Also, the lack of teacher and staff access to administrative software features such as grade book and attendance reduces staff productivity as these processes must be performed manually.

To enhance instruction and learning, many districts design their hardware and software configurations to allow maximum access to students and staff, while ensuring controls are in place to safeguard data. Chester ISD (CISD) designed a software access matrix dividing users into three groups: students, teachers, and office employees. It applies a global access policy based on group classification. CISD has also configured its hardware to provide mobile and fixed laboratories. To facilitate the mobile laptop labs, CISD added additional wireless access points throughout its schools.

Other districts obtain assistance from their Regional Education Service Centers (ESCs), or outside experts. Many ESCs, such as Region 5, provide hardware and network assistance to smaller districts.

HIISD should assign technology to maximize student and teacher access and obtain external resources to address connectivity and system access issues. It should expand its existing Technology Committee to include teachers from every school, and develop policies and procedures defining the configuration and access of technology resources for instructional and administrative use. The committee should develop procedures that equitably assign hardware resources, define age appropriate software and Internet access for students, and identify staff access to administrative software functions.

The committee should also identify areas where outside expertise is needed to facilitate program access, such as a network expert to develop secure software access procedures or a hardware expert to extend secure wireless access to all district buildings. Once identified, the committee should work with the superintendent to incorporate its recommendations into the annual budget process to obtain a funding commitment.

The fiscal impact assumes that the district will contract with Region 5 to develop and implement solutions to its network and configuration access issues. Since the district has basic wireless infrastructure in place, the fiscal impact assumes two weeks (10 business days) of contracted assistance at a daily rate of $300 for a one-time reconfiguration cost of $3,000 (10 days x $300). The district should budget an additional $1,500 annually (5 days x $300) for upgrades and general assistance, beginning in 2007–08.

TECHNOLOGY ACQUISITION (REC. 58)

HIISD does not have defined hardware standards or a documented computer acquisition and replacement plan to ensure that all students and district staff have computers with sufficient capacity to run needed instructional and administrative programs.

The district's software and hardware inventory is aging and includes some technology more than six years old. For example, district computers have Pentium III™ processors with a speed of 450Mhz and 128 Random Access Memory (RAM). This technology has been on the market since 1999 and is not sufficient to run many of the newer software programs. It uses Microsoft XP™ or NT™ as its operating system and the basic software package ranges from Microsoft Office 97™ to Office XP™.

The technology coordinator is responsible for determining computer needs and assigning resources to staff. The technology coordinator informally polls Technology Committee members to obtain information about resource needs and plans for upcoming purchases, as the committee does not often meet. The district lacks a published standard for new computer purchases, but the coordinator said new computers are purchased with a RAM capacity between 256 and 512, and come pre-loaded with Office XP™.

The technology coordinator has a goal of replacing computers every three years, but said a more realistic replacement cycle is five years. HIISD applies informal technology standards, but they are not analyzed in conjunction with the replacement cycle to confirm that existing standards provide a reasonable level of service throughout the computer's useful life. Also, there is also no process to stagger scheduled replacements to help HIISD spread the cost of technology acquisition over a period of years.

HIISD is planning a substantial computer acquisition, but it is not linked to an analysis of need or a replacement strategy. The district's Technology Plan states that 18 elementary computers, 18 middle school computers and 24 high school computers will be purchased between September 2006 and

May 2007. The plan does not identify the size and speed of computers to be purchased, or the proposed classroom assignments. The disposition of the current computer inventory is unknown, as the plan does not provide sufficient details to determine if the new computers will supplement the current inventory or replace it.

The lack of a process to acquire and replace computers based on an analysis of needs has resulted in out-of-date and aging computers that negatively affect instruction and student learning. Older computers with insufficient memory run slowly, frequently crash when newer software requiring more memory is accessed, or are not able to run the newer software at all. For example, many of the district's instructional computers could not run a software application provided by the state for standardized test preparations. The technology coordinator had to direct teachers to computers that could run the application.

The lack of a structured process to analyze needs, acquire appropriate tools, and keep technology current, is limiting HIISD's ability to meet its technology goals. Gaps in resources remain unidentified and unmet, and classroom technology does not provide students and teachers with up-to-date tools to enhance instruction and learning.

Silverton ISD performs an annual needs assessment in conjunction with its technology plan development. The technology plan also calls for biennial surveys of staff on classroom technology use and scheduled replacement of obsolete technology.

HIISD should develop and implement computer configuration standards, and a replacement cycle to maintain technology with sufficient capacity for current and future instructional use. With assistance from the Technology Committee, the technology coordinator should develop hardware standards for each grade level, reassign the existing hardware to best meet those standards, and develop an acquisition plan to close any gaps. The acquisition plan should include a replacement cycle that considers the overall cost of acquiring and maintaining a technology asset. For example, the district should evaluate the cost, reliability, and configuration constraints of running cables to classrooms against the cost, reliability, and flexibility of wireless desktops.

Acquisition strategies should align identified needs, acquisition schedules, and annually budgeted resources. A well-documented plan will provide the district with a blueprint for cost effectively obtaining additional hardware or software applications.

STAFF DEVELOPMENT (REC. 59)

HIISD does not have a comprehensive technology training program to ensure that teachers and other district staff use technology tools effectively.

The district established general proficiency goals in the Technology Plan for 2005–08, but the existing program lacks specific proficiency standards for teachers and noninstructional staff, a structured training program identifying what staff development is needed to achieve proficiency and who should receive the training, or an objective evaluation component to ensure that proficiency is demonstrated. The Technology Committee has not identified or implemented intermediate actions needed to achieve the goals established in the Technology Plan.

Two of the four technology goals address proficiency and include a number of objectives teachers must achieve to meet HIISD's overall technology goals (**Exhibit 5-3**). The district's aspirations are for teachers to meet the "Advanced Tech" proficiency level by October 2008. The second highest proficiency level measured by the School Technology and Readiness (STaR) Chart assessment process, this level requires teachers be completely proficient in technology and consistently use a variety of technology, communication, analytical, and data storage tools in the curriculum.

The plan states that all teachers and staff will be required to attend 24 hours of technology training each year. However, HIISD has not documented any progress toward completing the strategies, or taken any interim steps to accomplish the goals and objectives.

The district has not determined what staff development is needed to achieve proficiency, nor has it determined who should receive training. The existing technology training program for teachers is informal with no required training for new or current teachers. The technology coordinator described training as a combination of scheduled in-service and informal one-on-one explanations to staff as problems arise. There is no training program for administrative staff, but these employees can take the training offered during scheduled in-service or take other courses if desired.

The technology coordinator estimated that teachers receive 12 hours of technology training annually, but this training is not documented. Technology in-service training sheets for 2004–05 and 2005–06 showed staff received one hour of

EXHIBIT 5-3
HIISD TECHNOLOGY PLAN STAFF TRAINING GOALS, OBJECTIVES, AND STRATEGIES
2005–06 THROUGH 2007–08

GOAL/OBJECTIVE	STRATEGY
GOAL 1: TEACHERS AND STUDENTS WILL BE AT THE ADVANCED TECH LEVEL OF THE TEACHING AND LEARNING AREA ON THE TEXAS STAR CHART BY OCTOBER 2008.	
Objective 1.1: Teachers and students by October 2008 will use their advanced technology skills to collaborate with students and teachers within and outside of our district on projects.	Strategy 1.1.1: Students and Teachers will use our email system and Distance Learning facility to collaborate with other school districts on projects. After projects are completed, they will be published on the school web page for educators to use.
Objective 1.2 By October 2007 students and parents will have an open communication with High Island' faculty and administration.	Strategy 1.2.1: Faculty members will have a link on the school web page to their personal page. On the page, the teachers will supply their class rules, grading policy, and general information. Also on this page, the teachers will post their lesson plans for the week. Parent many email any teacher or administrator by using a link on the school web page.
Objective 1.3: 80 percent of teaching staff will be using digital content learning on a daily basis by October 2007.	Strategy 1.3.1: Teachers will use digital computer programs in their classroom environment.
GOAL 2: BY OCTOBER 2008, HIGH ISLAND'S TEACHERS WILL BE AT THE ADVANCED LEVEL OF THE EDUCATOR PREPARATION AREA ON THE TEXAS STAR CHART.	
Objective 2.1 By October 2008, 90 percent of the teachers in High Island ISD will integrate technology, which includes multimedia and the Internet into the curriculum and instruction and they will meet SBEC proficiencies and implement these into the classroom.	Strategy 2.1.1: All teachers and staff are required to attend at least 24 hours of on-site technology training per year. This training will include multimedia-based lessons such as: PowerPoint, Hyper studio, Excel, and web-based learning.

SOURCE: HIISD Technology Plan 2005-06 through 2007-08.

general technology training at summer orientation, and a three-hour training course on a new software program. During interviews, few teachers said that they took any technology courses in 2004–05 or 2005–06, but all believed the district would send them to training if they requested it. Although the mandatory technology training strategy identified in the district's technology plan started in January 2006, as of April 2006, HIISD did not have technology training schedules for the remainder of the school year to support implementation of the strategy by the plan's stated timeline.

Similar to teacher training, the administrative staff lacks a specific training program but has access to technology training. The Public Education Information Management System (PEIMS) coordinator attends PEIMS training whenever data standards change. The technology coordinator attends a variety of training but has not taken any technology certification classes.

HIISD's technology training program does not have an assessment component that requires demonstrated proficiency. According to the Technology Plan, sign-in sheets will document successful achievement of training strategies. The technology coordinator is looking into training programs that will test staff technology proficiencies.

The Texas State Board of Education has adopted proficiency standards for district staff. Districts are expected to assist teachers in reaching minimum skill levels. The ESCs provide training to help districts achieve technology proficiency.

The lack of a defined staff development program based on specific district needs, and containing clearly stated proficiency expectations, hinders HIISD's ability to make adequate progress toward its technology goals. Without mastery of the state defined technology standards, teachers are unable to effectively integrate technology into their classroom curriculum.

In addition, teachers and other staff may be unable to effectively use the recent technology investments made by the district, affecting student learning and staff productivity. For example, HIISD has a shared faculty drive on the network to encourage teachers to share lesson plans, noteworthy educational website addresses, and similar resources that some teachers are unable to use due to lack of technology skills. The technology coordinator said he responds to repeated calls from teachers needing assistance in locating the faculty network resources. Staff also asks the

coordinator to assist with basic software tasks such as resizing graphics for worksheets.

Many Texas districts develop and implement well-defined training programs structured to ensure accountability and achievement of technology proficiency goals. Galena Park ISD (GPISD) has a comprehensive training program for all teachers, clerical staff, and administrators. The program establishes proficiency goals, achievement timelines, and a process for evaluating whether standards are met. GPISD's Technology Proficiency Standards program has three levels of proficiency that build upon each other.

GPISD's program defined standards for new and returning teachers and staff with specified completion dates for demonstrating the proficiency. Each standard is objectively measured through observation, testing, or a project that is evaluated by a grading rubric. GPISD's technology department offers training, but it is not mandatory if an employee can pass a proficiency test. The district's website also contains extensive online training manuals. **Exhibit 5-4** provides example of technology proficiency standards and measures from the GPISD program.

ESCs such as Region 4 or Region 5 also provide workshops and online courses to help teachers develop technology proficiency. The courses addressing technology applications often include a proficiency assessment at the end of the course. For example, Region 5 provides a competency certification course for $150 that includes an assessment of learned proficiencies. The course has an online checklist that helps determine readiness for the course, and includes an assessment of work completed.

EXHIBIT 5-4
EXAMPLE TECHNOLOGY PROFICIENCY STANDARDS AND MEASURES
2004–05

PROFICIENCY REQUIREMENT	PROFICIENCY INDICATOR/MEASURE	PROFICIENCY LEVEL/GROUP
Software	Attend training. Attend laboratory and use classroom computers. Effectively integrate technology into the assigned curriculum.	Level I (teachers)
Security (based on acceptable use policy)	Score of 75% or above on the GPISD computer security test.	Level I (all staff)
Basic Computer Skills	Login to network; execute programs; demonstrate mouse skills; basic troubleshooting; saving files and proper disk care; scan for viruses; understand infrastructure overview; identify and use storage devices. Score 75% or above on GPISD basic computer skills test.	Level I (all staff)
Attendance software	Check attendance; look up student demographics; manipulate seating chart; clear students entering and leaving box. Secondary teachers -send progress reports online. Proficiency is demonstrated by independent observation.	Level I (teachers)
Gradebook® software	Setup, maintain and print reports; make a backup. Secondary teachers - export grades each grading period. Proficiency is demonstrated by independent observation.	Level I (teachers)
Copyright	Working knowledge of copyright, fair use and public domain items. Knowledge of educational copyright issues and basic software issues. Score of 75 percent or above on the GPISD copyright test.	Level II (all staff)
Microsoft Word®	Execute the following functions: font selections, bullets, alignment, change paragraph defaults, copy and paste, cut and paste, select tool bars, use tables, save and print, manage files and create folders. Score of 75 percent or above on the GPISD Microsoft Word Test.	Level II (all staff)
Microsoft PowerPoint®	Execute the following functions: slide layout, create new slides, change background appearance, insert graphics, font selection and view the final presentation. Complete the GPISD Microsoft PowerPoint project according to the grading rubric.	Level II (all staff)
Microsoft Word®	Execute the following functions: font selections, create page breaks, format alignment, format paragraph, change bullets, highlight and underline text, insert a table, use WordArt and clip art, merge columns, insert a text box and create hyperlinks. Complete the Microsoft Word Project according to the grading rubric.	Level IIIa (veteran staff)

SOURCE: Galena Park ISD Technology Proficiencies Program, www.galenaparkisd.com/training, 2004-05.

HIISD should establish and implement a comprehensive written staff development program to ensure staff achieves proficiency in technology. The superintendent should assign the existing HIISD Technology Committee the task of establishing and implementing a documented staff development program. The committee should complete the following tasks:

- assign responsibility for plan development, policy development, monitoring and evaluation;
- research available training models from other districts as well as use the campus as a guide for developing the policies, standards, and measures;
- define technology proficiency for all district staff including: new teachers, experienced teachers, administrators, other professional support staff and administrative staff;
- specify timelines for achievement of proficiency;
- determine training needs for all identified staff groups;
- identify the training courses that should be provided to each category of identified staff; and
- determine how to evaluate demonstrated proficiency and link this evaluation with the Professional Development and Appraisal System and the district's appraisal system for administrators and other staff.

After the standards and measures have been developed, the committee should submit them to the superintendent or principal for approval. After approval, the superintendent or principal should assign the technology coordinator and counselor/curriculum director (who also coordinates staff development) to work with other administrators in developing training plans, schedules, and training formats to make sure all staff are trained. The technology coordinator and counselor/curriculum coordinator should also implement training according to the published schedules.

DISASTER RECOVERY PLAN (REC. 60)

HIISD does not have a detailed and documented disaster recovery plan to protect and restore its technology and information in the event of a disaster.

High Island is located in Galveston County, a few miles from the Texas coast. A hurricane affects this coastal area approximately every three years. While HIISD does provide for regular back-up of network systems, it has no documented procedures or written comprehensive plan for disaster preparations and recovery.

HIISD has four network servers hosting its student and business systems. It houses three servers on the floor in an interior high school classroom with no window access and a fourth server in the district administration building, which is a converted wooden house on a pier and beam foundation. It has basic recovery protocols for its network data, including daily back up of network systems. The district has five tapes, one for each business day, and replaces the tapes annually. The network software automatically tests the tapes to identify if a tape has become corrupted. At the end of each day, the technology coordinator backs up the educational servers, and the finance officer backs up the financial server. Both are responsible for taking the tapes home each evening and returning the tapes to the district the next morning.

Although this process is performed routinely, there are no written procedures or written outline of steps to be performed for network processes should the technology coordinator or finance officer be unavailable. The technology coordinator can access the district network remotely from home if needed. Also, the finance officer and superintendent have administrator level access to the network systems.

In September 2005, HIISD was part of a mandatory evacuation of the Texas coast in preparation for Hurricane Rita. Last minute hurricane preparations had the technology coordinator assessing the safety of district servers during the storm, backing up district network information before closing the schools, and evacuating with the backup tapes. The emergency assessment determined that the servers were located in a reasonably safe location and could remain in their regular locations. District staff did not move the computers to a tabletop or otherwise cover them to protect them from flooding or roof damage. Staff moved other computers away from doors and windows, but they were not moved from their assigned locations to interior rooms. The staff did not secure paperwork or hard copies of documents. The coordinator said that the actions taken were based in part on the amount of time available to make preparations and the determination that the computers could be replaced with insurance payments.

While HIISD's technology resources sustained little damage, there is a continuing disaster risk for coastal districts. A disaster recovery plan is critical for quick response and recovery of essential education and business systems should a catastrophe occur. The National Center for Education

Statistics publication *Safeguarding Your Technology* identifies these key elements in disaster recovery planning (**Exhibit 5-5**).

In addition, a comprehensive disaster plan streamlines preparations and recovery, keeping the district operational during times of crises as long as possible. Glen Rose ISD (GRISD) developed a comprehensive disaster recovery plan for loss and recovery of its critical information systems. The plan includes emergency contacts for its technology staff, the district, and software and hardware vendors. Procedures for partial and complete recoveries are documented to ensure staff can perform every aspect of recovery and restoration. GRISD also has a storage area network providing for live storage throughout the day, in addition to the end of day storage protocol. This provides two sets of data storage creating a safety net of redundant materials.

EXHIBIT 5-5
KEY ELEMENTS OF DISASTER RECOVERY PLANNING

RECOMMENDED STEP	CONSIDERATIONS
Build the planning team.	• Include key policy makers, building management, end users, key outside contractors, local authorities, and technical staff.
Obtain and/or approximate key information.	• Develop an exhaustive list of critical activities performed within the district. • Estimate the minimum space and equipment necessary for restoring essential operations. • Identify a time frame for starting initial operations after a security incident. • Develop a list of key personnel and their responsibilities.
Perform and/or delegate key duties.	• Create an inventory of all computer technology assets including data, software, hardware, documentation and supplies. • Set up a reciprocal agreement with comparable organizations or lease backup equipment to allow the district to operate critical functions in the event of a disaster. • Make plans to procure hardware, software, or other equipment as necessary to ensure that critical operations are resumed as soon as possible. • Establish contractual agreements with backup sites as appropriate. • Identify alternative meeting and start-up locations in case regular facilities are damaged or destroyed. • Prepare directions to all off-site locations. • Establish procedures for obtaining off-site backup records. • Locate support resources that might be needed, such as equipment repair, trucking and cleaning companies. • Arrange priority delivery with manufacturers for emergency orders. • Identify data recovery specialists and establish emergency agreements. • Arrange for site security with local police and fire departments.
Specify details within the plan.	• Identify individual roles and responsibilities by name and job title. • Define actions to be taken in advance of an occurrence or undesirable event. • Define actions to be taken at the onset of an undesirable event to limit damage, loss, and comprised data integrity. • Identify actions to be taken to restore critical functions. • Specify actions to be taken to re-establish normal operations.
Test the plan.	• Test the plan frequently and complete. • Analyze test result to improve the plan and identify additional needs.
Deal with damage.	• If a disaster occurs, document all costs and videotape the damage. • Immediately contact professional recovery technicians to deal with water damage to technical equipment. • Be prepared to overcome downtime on your own as insurance settlements take time to be resolved.
Give consideration to other significant issues.	• Do not make the plan unnecessarily complicated. • Make one individual responsible for maintaining the plan, but have it structured so that others are authorized and prepared to implement it if needed. • Update the plan regularly and whenever changes are made to your system.

SOURCE: National Center for Education Statistics, "Safeguarding Your Technology" (Modified by School Review).

HIISD should develop and implement a detailed disaster recovery plan to protect and restore technology and information in the event of a disaster. A comprehensive disaster recovery plan will help the district quickly secure information and technology assets, and restore critical business and technical operations as soon as possible after the crisis has passed.

The plan should include procedures for securing and restoring systems, easy-to-locate emergency contacts, and a redundant back-up of all data. The plan should also identify key individuals, define their pre- and post-disaster responsibilities, and document recovery tasks. For example, if staff is expected to secure assigned technology, procedures should be detailed and disseminated. Staff may be assigned the responsibility for moving computers to an interior hallway, backing up data stored to the computer hard drive and not on the network, and securing software disks in watertight bags. Central administration staff may move critical paper files to watertight containers or move them to higher, less flood prone locations. Backup tapes should be stored in a location that is water and fire proof. System recovery protocols must be documented so more than one staff member can initiate the restoration process.

Since HIISD is in a high-risk area prone to hurricanes, flooding, and required evacuations, the plan should also include provisions for remote or redundant backup and storage of key systems' data for added protection.

The superintendent, principal, counselor/curriculum director, and technology coordinator should jointly develop a plan covering all information, records, and systems necessary to fully restore operations. As a first step in developing the plan, the technology coordinator should request plans from other coastal districts as a way of gathering ideas to incorporate into the HIISD plan. As a next step, the superintendent should require administrative staff to document instructions for all operational responsibilities that can be incorporated into recovery procedures. After the plan is developed, the superintendent should submit it to the board for review and adoption. The district should test the plan annually and incorporate test results into plan improvements.

POLICIES AND PROCEDURES (REC. 61)

HIISD lacks fundamental written procedures and accountability standards for technology use increasing the risk of misuse of technology resources.

HIISD subscribes to a policy service provided by the Texas Association of School Boards (TASB), and its policies for technology are generally at the legal level. For example, the district policy for Internet use states, "A public school that provides a computer used to access the Internet is not eligible for a loan or grant under Subchapter C, Chapter 57, Utilities code (Telecommunications Infrastructure Fund, unless the school adopts and implements an Internet safety policy under Chapter 32, Subchapter E, of the Education Code or under the federal Children's Internet Protection Act (CIPA) Education Code 32.202." However, the student handbook contained no corresponding local policy for compliance with CIPA that details basic measures for student Internet safety such as: restricting student access to obscene materials; protecting the safety and security of minors when using electronic mail, chat rooms, and other forms of electronic communications; or prohibiting unauthorized or unlawful online student activities.

HIISD also lacks documented policies to limit its liability for software copyright violations. The district has a general policy stating employees are expected to comply with copyright law and that duplication or backup of computer programs must be made within the provisions of the purchase agreement, but it lacks written guidelines for applying the policy. For example, HIISD does not limit the loading or downloading of personal software to district machines or require a copy of personal software licenses be kept on-site, even though the technology coordinator said teachers have purchased personal copies of educational software that are used on district computers to supplement the district software library.

Although employees are given verbal instructions on appropriate use of district resources, there is no written procedure to provide accountability for compliance. HIISD has no forms requiring staff and students to commit to using technology resources appropriately. The technology coordinator has not audited district computers to determine if unlicensed or unapproved software has been added, or if other inappropriate activities have occurred. Further, there are no procedures holding the technology coordinator accountable for not taking steps to ensure the district complies with copyright laws.

Without written procedures for use of the technology assets, the district is at risk for waste, misuse, or violations of law. Students or staff may unintentionally violate licensing agreements opening the district to software piracy claims. Unauthorized software may strain a machine's capacity

causing additional time lost to repair. Unregulated downloads can also increase the risk for computer viruses.

Many Texas districts adopt written policies and procedures to limit the risk of abuse or misuse of software. Chester ISD has written policies that limit adding or downloading software without district approval. It also posts its Internet child protection policy on its website. Silverton ISD has adopted an acceptable use policy with signed acknowledgements as part of its technology plan.

HIISD should draft policies, procedures, and accountability standards for technology use that include appropriate use of Internet, network, software, and hardware resources, to reduce the risk of misuse of district technology. The Technology Committee should develop the draft policies, procedures, and standards and submit them for superintendent and board approval. Approved policies should include a clear statement of the district's right to enter and search computers and computer applications, including password protected areas. Procedures should address appropriate Internet use and maintaining proof of license for applications not purchased by the district. They should also provide guidelines for adding or downloading applications to district computers, securing passwords, and for using chat rooms or other electronic communications.

HIISD should include the policies in student and staff handbooks, and post the information on the district website. For accountability purposes, staff and students should sign a policy compliance form before the district allows them to use computer resources. In addition, the technology coordinator should randomly, but regularly, audit district machines to ensure compliance with law and policy.

WEB COMMUNICATIONS (REC. 62)

HIISD's website is not an effective tool for communicating with parents, students, community members, potential employees, and is not in compliance with state laws.

The district website provides basic information such as the school calendar, staff contacts, and the TASB online policy tool. The homepage includes the school motto and mascot, links to nine topic areas, and a marquee area for time-sensitive information such as upcoming test dates. All teachers have email links, allowing parents and citizens to contact them with questions or concerns.

The district's Technology Plan addresses improved student and parent communication with faculty and administration through the use of the website. The plan states that by the end of October 2007, students and parents will have open communication with HIISD's faculty and staff, and that faculty members will have a link on the district website to their personal web pages. The plan calls for each teacher to develop a personal web page including class rules, grading policy, lesson plans for the week, and general information.

Beginning with 2005–06, the Texas Education Code (TEC) §28.004 requires that districts with websites post the following information:

- statement of the policies adopted to ensure that elementary and middle school students engage in at least 30 minutes of physical activity per day or 135 minutes per week;
- the number of times during the preceding year that the district's school health advisory council met;
- whether the district has adopted and enforces policies and procedures to ensure that district campuses comply with vending machine and food service guidelines for restricting access to vending machines; and
- whether the district has adopted and enforces policies and procedures that prescribe penalties for the use of tobacco products by students and others on school campuses or at school-sponsored or school-related events.

In addition, other sections of the TEC and the Government Code require that the following be posted:

- notice of school board meetings;
- most recent campus report card;
- most recent performance report of the district; and
- most recent performance rating of the district.

As of April 2006, HIISD had complied only with the performance reporting requirements.

Other state laws require posting certain information on district websites. For example, districts must post job vacancies, board agendas, and conflict of interest disclosures on their websites. In April 2006, the HIISD website did not include a posting for the principal's position, although the district had a vacancy and was actively searching for candidates. The site did not have information or a link to board meeting agendas. It also did not have information or a link to conflict of interest disclosures.

The technology coordinator is responsible for website content and has purchased publishing software to design and format content changes. Access to the host is restricted by password and only the coordinator can update or change the district's web page. There is no formal process for updating the website. Region 5 hosts the district website at a reduced cost by applying the E-Rate discount available to the district. The E-Rate is a program administered by the Federal Communications Commission to provide schools and libraries with discounts to purchase and maintain telecommunications infrastructure and access.

The technology coordinator said that the website was primarily for communication with the community. However, without a process to define roles and responsibilities for site management and hold individuals accountable for these duties, the value of the website in communicating with that group is limited. A well-designed website can serve as an important communication tool for other district stakeholders, especially students, parents, and district staff. It can also create efficiencies for staff. For example, an employee handbook on the website can reduce the number of telephone calls to administrators.

Many Texas districts actively manage their websites, supplementing paper communications with web versions and keeping content fresh. Silverton ISD's (SISD) homepage contains colorful pictures of students and staff with easy to navigate links to topics of interest. SISD's Technology coordinator develops and updates the website content almost daily with input from all staff. Staff provides input on content for personal pages, and the superintendent is actively involved in all aspects of the website. Chester ISD (CISD) involves the superintendent, office employees, teachers, and the technology coordinator in developing content. CISD's web master's class assists the technology coordinator in updating the site, providing actual web experience to technology students.

Lazbuddie ISD, a district of 133 students, recently upgraded to a user-friendly website that can be easily updated by teachers and staff as needed, and is using the district's E-Rate funding to make the change. The selected vendor will provide both the software needed, as well as online training for staff for $1,000 annually. The software features include posting of documents on the website, creation of calendars, forms, surveys, and quizzes. That district's website currently includes the following information:

- board agendas and minutes;
- board policy;
- lunch menus;
- district calendar;
- student interactive academic links;
- student handbook;
- staff handbook;
- job postings and applications; and
- conflicts of interest information.

HIISD should develop a process to ensure the district website is kept current, useful as a communication tool, and in compliance with state laws. It should expand its website content to comply with state requirements, provide more information for the public, and more resources for students and teachers. HIISD should assign a knowledgeable staff person such as the superintendent's secretary to be responsible for reviewing the website content. This position should also be tasked with ensuring that all required information is posted on the district website timely and dated information removed on a scheduled basis.

HIISD should consider using an outside vendor to teach teachers and staff to update the content of the website as needed and to provide design and technical support. The estimated cost to implement this recommendation is $1,000 annually beginning in 2007–08 if an outside vendor is used.

For background information on Computers and Technology, see page 184 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS		2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5–YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
CHAPTER 5: COMPUTERS AND TECHNOLOGY								
56.	Develop and implement an inventory control process to track and control technology hardware and software assets.	$0	$0	$0	$0	$0	$0	($50)
57.	Assign technology to maximize student and teacher access and obtain external resources to address connectivity and system access issues.	$0	($1,500)	($1,500)	($1,500)	($1,500)	($6,000)	($3,000)
58.	Develop and implement computer configuration standards, and a replacement cycle to maintain technology with sufficient capacity for current and future instructional use.	$0	$0	$0	$0	$0	$0	$0
59.	Establish and implement a comprehensive written staff development program to ensure staff achieves proficiency in technology.	$0	$0	$0	$0	$0	$0	$0
60.	Develop and implement a detailed disaster recovery plan to protect and restore technology and information in the event of a disaster.	$0	$0	$0	$0	$0	$0	$0
61.	Draft policies, procedures, and accountability standards for technology use that include appropriate use of Internet, network, software, and hardware resources, to reduce the risk of misuse of district technology.	$0	$0	$0	$0	$0	$0	$0
62.	Develop a process to ensure the district website is kept current, useful as a communication tool, and in compliance with state laws.	$0	($1,000)	($1,000)	($1,000)	($1,000)	($4,000)	$0
TOTAL-CHAPTER 5		**$0**	**($2,500)**	**($2,500)**	**($2,500)**	**($2,500)**	**($10,000)**	**($3,050)**

CHAPTER 6

SAFETY AND SECURITY

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

CHAPTER 6. SAFETY AND SECURITY

A safe and secure school environment is essential to learning. Administrators, in particular, are responsible for keeping students and staff safe from violence; safeguarding facilities and physical assets; and creating environments conducive to learning. Many districts develop policies, procedures, and coordinate districtwide programs to address crisis contingencies, facility safety, drug and violence prevention, student discipline, and truancy.

The superintendent of High Island Independent School District (HIISD) is responsible for the security and safety function of the district. At the time of the on-site review, the superintendent was directly responsible for enforcing the discipline management program, ensuring facility security, establishing a crisis management program, and a truancy program.

FINDINGS

- HIISD lacks a formalized Disciplinary Alternative Education Program (DAEP) for secondary and elementary students to provide continued educational and behavioral services for students removed from the regular classroom.
- HIISD does not enforce its discipline management program as outlined in the student code of conduct in a consistent and timely manner.
- HIISD does not publish annual incident reports to the board, community, and parents, or hold public hearings for discussion of the reports as outlined in state law.
- HIISD lacks a written comprehensive crisis management plan, or established emergency operations procedures to guide staff and students in crises or emergencies.
- HIISD does not conduct fire drills as required by the State Fire Marshal's Office, have the campus buildings routinely inspected for fire hazards, or implement the fire safety education curriculum.

RECOMMENDATIONS

- **Recommendation 63: Establish a formalized annual agreement with Hamshire-Fannett ISD (HFISD) to provide DAEP services for students assigned to the program.** The agreement should identify the program costs for HIISD and the specific services to be provided by the program. The agreement should be developed jointly between HIISD and HFISD. HIISD's superintendent should confirm that the requirements outlined in the Texas Education Code (TEC) are properly addressed and that provisions are made to serve elementary school students in a separate facility. The district should develop an alternative plan for services if HFISD's program becomes unavailable. The superintendent should present the agreement annually to the district board for approval, prior to the beginning of each school year. In addition, the district should also conduct a cost-benefit analysis to determine if providing an in-house DAEP is more cost effective than contracting with a neighboring district.
- **Recommendation 64: Develop administrative procedures to make sure HIISD's discipline management plan is enforced timely.** The superintendent should meet with teachers to gather input as to what the procedures should include, along with an established timeline for addressing discipline referrals, to ensure consistency in the application of the discipline management program. The superintendent or designee should develop a detailed discipline referral form that includes the Public Education Information Management System (PEIMS) codes for violations of the student code of conduct, action codes, teacher remarks, and administrator remarks.
- **Recommendation 65: Develop annual comprehensive disciplinary incident reports for the board, employees, and community, and conduct an annual hearing to review the report.** The incident reports should be distributed to and discussed by board members, school administrators, teachers, parents, and the site-based decision-making (SBDM) committees at least once a year. The superintendent should use the data presented in the reports to plan for prevention and intervention programs to create a safer and secure learning environment.
- **Recommendation 66: Adopt and implement a written comprehensive multi-hazard emergency operations plan, conduct security audits, and provide routine emergency operation procedures**

training for staff and students. The superintendent should meet with the SBDM committee and conduct a needs assessment to identify potential safety hazards the district can face. The assessment should include taking steps to reduce loss to students and employees should an emergency occur. HIISD should include the local emergency response agencies in the assessment process, and in the development of crisis response protocols. A memorandum of understanding (MOU) with each local emergency response agency should be drafted and approved identifying the roles and responsibilities of the district and local agencies at the time of a crisis. The district should train all employees on the procedures outlined in the plan, with intermittent training and student drills throughout the year.

- **Recommendation 67: Conduct and document routine fire drills and complete fire safety education as described by the National Fire Protection Association (NFPA) and required by the State Fire Marshal's Office.** Administrative procedures should be developed to require district staff to report the date, time, and duration of all fire drills on the State Fire Marshal's designated form. In addition, HIISD should require routine building inspections to identify safety hazards.

DETAILED FINDINGS

DISCIPLINARY ALTERNATIVE EDUCATION PROGRAM (REC. 63)

HIISD lacks a formalized DAEP for secondary and elementary students to provide continued educational and behavioral services for students removed from the regular classroom.

During 2003–04 and 2004–05, HIISD provided a DAEP for secondary students at the high school campus. The district employed a permanent substitute, who is a certified teacher, as the in-school suspension (ISS)/alternative education program (AEP) coordinator to supervise the ISS program and the DAEP. (AEP only refers to the official job title provided by the district.) The ISS program is located in a high school campus classroom. Both elementary and secondary students are placed in the same classroom when assigned to ISS or DAEP, and 40 elementary students have been assigned to ISS since 2003–04. During the past two years, students assigned to the DAEP were placed in the same classroom with the ISS students under the supervision of the ISS/AEP coordinator.

Exhibit 6-1 shows the number of students that have been assigned to ISS and the DAEP from the elementary, middle, and high schools from 2003–04 through 2005–06.

EXHIBIT 6-1
HIISD ASSIGNMENT TO IN-SCHOOL SUSPENSION AND DISCIPLINARY ALTERNATIVE EDUCATION PROGRAM 2003–04 THROUGH 2005–06

CAMPUS	SCHOOL YEAR	IN-SCHOOL SUSPENSION	DISCIPLINARY ALTERNATIVE EDUCATION PROGRAM
Elementary	2003-04	19	*
	2004-05	8	*
	2005-06**	13	*
Middle School	2003-04	10	*
	2004-05	21	*
	2005-06**	25	*
High School	2003-04	56	11
	2004-05	69	7
	2005-06**	52	*
TOTAL		**273**	**18**

*Numbers less than five have not been cited due to the Family Educational Rights and Privacy Act (FERPA) 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
** 2005-06 statistics through April 11, 2006.
SOURCE: HIISD PEIMS coordinator, April 11, 2006.

A total of 273 students were assigned to the ISS program over the past 3 school years, and over 18 students were assigned to the DAEP. When students are assigned to the ISS and DAEP simultaneously, the DAEP students are isolated in one part of the classroom and the ISS students are placed in another part of the room. When elementary students are assigned to ISS at the same time as secondary students, they are placed on the other side of the room close to the coordinator's desk.

Teachers are notified in advance that a student is being assigned to the DAEP or ISS program. Instruction assignments are provided daily to the ISS/AEP coordinator for each student. When necessary the coordinator makes textbook assignments, and there are a set of high school textbooks in the ISS classroom. Middle school students are required to bring their textbooks, and the elementary school teachers provide assignments for their students.

Previously, HIISD had an in-house DAEP to save money. During 2005–06, the district contracted with HFISD, located about 20 miles from HIISD, for DAEP services so that the

ISS/AEP coordinator could assist with monitoring the lunch room and halls. The HFISD DAEP, housed at the district's middle school campus, employs one certified teacher and two instructional aides. HIISD's superintendent could not confirm that the HFISD teacher was certified in special education, or whether they could accommodate an elementary student. During 2005–06, HIISD needed to access the DAEP, however HFISD could not provide DAEP services for HIISD due to lack of space. When that occurred, HIISD had to provide the DAEP in-house as it had done in previous years. The district never established a written interlocal agreement or MOU with HFISD to provide DAEP services. Due to a personal relationship between the superintendents of both districts, the agreement for DAEP services was established through verbal communication. The district staff could not provide documentation verifying board authorization to contract DAEP services with HFISD. HIISD has not formalized an alternative plan to provide DAEP services when HFISD does not have space to accommodate their students, nor has the district made provisions for a separate elementary DAEP, as described in the TEC and the district's board policy.

Without a written agreement or MOU with a district like HFISD, HIISD cannot be assured that it will have access to DAEP services as required by the TEC. A written agreement establishes the terms of the contract, including identifying what services are to be provided to a district in return for negotiated fees. A district cannot set a realistic budget for the DAEP without identifying the cost of the services and transportation. Basing services on space availability does not ensure that a district will have access to the DAEP when needed.

The Texas Safe Schools Act requires districts to create a DAEP that includes "alternative education settings for behavior management." The purpose of the program is to address teachers' concerns regarding the need for options allowing them to remove students who are engaged in serious misbehavior from their classrooms. In addition, TEC §37.001(a) (2) requires the district's student code of conduct to specify conditions authorizing or requiring a principal or other appropriate administrator to transfer a student to a DAEP. A DAEP must separate assigned students from regular education students. In addition, the DAEP program must separate elementary students from secondary students. The DAEP can be located either on campus or at an off campus location, and must provide supervision, counseling, and instruction in the core curriculum. In addition, TEC §37.008 (d) states that a district may provide a DAEP jointly with one or more other districts.

HIISD adopted board Policy FOCA (LEGAL), issued December 16, 2003, stating the district shall provide a DAEP that meets the criteria set forth in TEC §37.008 (a), (b) and will not place elementary school students in a DAEP with any other student who is not an elementary school student. In addition, the district has adopted board Policy FO (LEGAL) and (LOCAL), issued August 8, 2005, stating the board shall adopt a student code of conduct in compliance with TEC Chapter 37, Subchapter A. The law requires the student code of conduct to provide guidelines for assignment to a DAEP, and general guidelines for imposing discipline. HIISD board Policy FOA (LEGAL) and FOC (LEGAL) provides criteria for removal of a student from the classroom by a teacher and the district's criteria for student placement in a DAEP setting, respectively.

When one or more districts collaborate to jointly provide DAEP services, a formal MOU agreement is developed. An MOU agreement outlines the services to be provided and the associated cost. Reasons for placement into the program are clearly defined. Provisions are made for providing separate services for elementary students. The details of the agreement address unique situations relating to the districts involved. Each board adopts and approves the agreement annually. **Exhibit 6-2** outlines the requirements of a DAEP established by TEC §37.008 that are considered when developing an MOU.

HIISD should establish a formalized annual agreement with HFISD to provide DAEP services for students assigned to the program. The agreement should identify the program costs for HIISD, and the specific services to be provided by the program. This agreement should be developed jointly between HIISD and HFISD. HIISD's superintendent should confirm that the requirements outlined in the TEC are properly addressed, and that provisions are made to serve elementary school students in a separate facility. The district should develop an alternative plan for services if HFISD's program becomes unavailable. The superintendent should present the agreement to the board for approval annually, prior to the beginning of each school year. In addition, the district should also conduct a cost-benefit analysis to determine if providing an in-house DAEP is more cost effective than contracting with a neighboring district.

EXHIBIT 6-2
TEXAS EDUCATION CODE
REQUIREMENTS FOR DISCIPLINARY ALTERNATIVE EDUCATION PROGRAMS

REQUIREMENTS OF A DAEP
Provides a setting other than a student's regular classroom.
Located on or off of a regular school campus.
Provides for the students who are assigned to the disciplinary alternative education program to be separated from students who are not assigned to the program.
Focuses on English language arts, mathematics, science, history and self-discipline.
Provides for students' educational and behavioral needs.
Provides supervision and counseling.
Requires that to teach in an off-campus DAEP, each teacher meets all certification requirements established under Subchapter B, Chapter 21.
Requires that to teach in a DAEP of any kind, each teacher employed by a school district during the 2003-04 school year or an earlier school year meet, not later than the beginning of the 2005-06 school year, all certification requirements established under Subchapter B, Chapter 21.

SOURCE: Texas Education Code (TEC), Section 37.008.

DISCIPLINE MANAGEMENT PROGRAM (REC. 64)

HIISD does not enforce its discipline management program as outlined in the student code of conduct in a consistent and timely manner.

The district's student code of conduct is described in the HIISD Parent/Student Handbook. The handbook is distributed annually to all students at the beginning of the school year. Parents and students sign an acknowledgement form indicating that they received and read the handbook. The HIISD student code of conduct describes the district's expectations of students, and specifies the consequences for violating the code. The code specifically states that:

"Disciplinary action will depend upon a careful assessment of all circumstances, including the nature and severity of the offense. The school district's Discipline Management Plan is followed when students violate school or state rules."

The HIISD student code of conduct identifies the types of disciplinary action that may occur, and divides the misbehavior and consequences into four levels. **Exhibit 6-3** illustrates the four levels of discipline as described in the student code of conduct.

Exhibit 6-3 shows that required intervention by an administrator begins on Level II in the district's student code of conduct, and disciplinary consequences range from a warning to Saturday school. The Level I infractions committed by students are normally handled by the classroom teacher.

Teachers are required to post their disciplinary rules in the classroom. The elementary teachers meet with the principal to develop some vertical teaming in discipline and use the same generic discipline plan for consistency across the grade levels. At the middle and high schools, the teachers develop their own classroom rules and provide the superintendent a copy of the rules. **Exhibit 6-4** shows the posted classroom rules used for the elementary grades 3–5.

When a student is persistently misbehaving, the teachers contact the parent(s) prior to any referral to the principal's office. Teachers have the authority to assign "break" detention or after school detention as a discipline measure. Break detention is detention during the student's morning break for breakfast or snacks in the middle or high schools. When a student commits a flagrant infraction, the teachers are to refer the student to the principal's office immediately.

The athletic director is currently working toward a mid-management certification, and assists the superintendent with some of the discipline problems such as talking and persistent misbehavior. The athletic director has three class periods a day designated to assist with these duties, and to help monitor the halls. Additionally, the ISS/AEP coordinator assists with monitoring the halls and cafeteria.

When a student violates the student code of conduct, the discipline management process begins with the teacher completing a discipline referral form, which is submitted to the principal's office. The principal reviews the referral, meets with the student, and decides the disciplinary action. Disciplinary actions taken by the principal include break

EXHIBIT 6-3
HIISD STUDENT CODE OF CONDUCT
LEVELS OF CONSEQUENCES
2005–06

LEVELS	DESCRIPTION	PROCEDURES	EXAMPLES OF MISBEHAVIOR	EXAMPLES OF DISCIPLINARY RESPONSE
LEVEL I				
	Usually teacher initiated - Misbehavior on the part of the student which impedes orderly classroom procedures or interferes with the orderly operation of the school.	1. There is immediate and consistent intervention by the teacher supervising the student or the teacher who observes the behavior. 2. An anecdotal record of the offenses and disciplinary action is maintained by the teacher. 3. The teacher may wish to discuss the misbehavior with the parent, administrator and/or support personnel.	• Cheating • Horseplay or scuffing • Inappropriate apparel • Minor defacing of school property • Violation of classroom procedures established by teacher • Truancy	1. Student-teacher conferences 2. Isolation within the classroom 3. Detention 4. Telephone call or written communication to parent 5. Parental conference 6. Referral to principal
LEVEL II				
	Infractions which often result from the continuation of Level I misbehaviors require the intervention of the administration level because the use of Level I disciplinary responses/ options failed to correct the situation. Also the misbehaviors tend to disrupt the orderly climate of the school. They are serious enough to require corrective action on the part of the administrative personnel.	1. Referral to administrator; 2. Administrator meets with student and/or teacher to establish the most appropriate response. 3. The teacher is informed of the administrator's action. 4. Parents may be notified of the student's misbehavior. 5. A proper and accurate record of the offenses and disciplinary action is maintained by the administrator.	• Continuation of unmodified Level I misbehaviors • Misbehavior at school sponsored activity • Possession of obscene materials • Showing flagrant disrespect to school in word and/or gesture. • Use of tobacco products • Internet violations	1. Warning 2. Detention 3. In-School Suspension 4. Parental Conferences 5. Referral to outside agency 6. Searches, according to district policy 7. Saturday school
LEVEL III				
	Infractions which sometimes result from the continuation of Level I and/or Level II misbehaviors. Also included are acts against persons or property. Some of the infractions have consequences which might be considered criminal but most-frequently can be handled by disciplinary mechanism in the school.	1. The administrator initiates disciplinary action by investigating the infraction and, if necessary, conferring with the teacher on the consequences. 2. The administrator meets with the student and confers with the parent about the student's misconduct and the resulting disciplinary actions.	1. Engaging in conduct that contains the elements of simple assault or a terrorism threat. 2. Selling, giving, or delivering to another person or possessing, using , or being under the influence of: a. Marijuana or a controlled substance. b. A dangerous drug in an amount less than a felony offense - Chemical substances	1. In-school suspension (3-10 days) 2. School-Community Guidance Center 3. Disciplinary Alternative Education Program 4. Suspension 5. Saturday School 6. Contact law enforcement agency

(continued on next page)

EXHIBIT 6-3 (CONTINUED)
HIISD STUDENT CODE OF CONDUCT
LEVELS OF CONSEQUENCES
2005–06

LEVELS	DESCRIPTION	PROCEDURES	EXAMPLES OF MISBEHAVIOR	EXAMPLES OF DISCIPLINARY RESPONSE
LEVEL III (CONTINUED)				
	Corrective measures which the school should undertake, however, depend on the extent of the school's resources for correcting the situation in the best interest of all students and personnel.	3. An accurate record of offenses and disciplinary actins is maintained by the administrators.	3. Engaging in conduct that contains the elements of the offense of public lewdness. 4. Engaging in conduct that is a felony and committed either on or off school property. 5. Retaliating against a school employee, either on or off school property and when not combined with another offense. 6. False fire alarm	7. Removal from extra-curricular and co-curricular activities 8. Corporal punishment
LEVEL IV				
	Disciplinary action at this level could result from the continuation of lower level offenses. Included are acts which result in violence to another person(s) or properties which pose a threat to the safety of others in the school. These acts are clearly criminal in nature and are so serious that they always require the immediate removal of the student from school. The involvement of law enforcement authorities and/or action by the Board of Trustees may be required.	1. The administrator verifies the offense and, if necessary, confers with the teacher involved before meeting with the student. 2. Parents are notified of the charges and informed of rights under due process hearing procedures. Law enforcement officials shall be contacted. 3. A complete and accurate report is submitted to the superintendent for possible action by the Board of Trustees.	1. Assaults a teacher or other individual. 2. The use, exhibition, or possession: a. A firearm b. An illegal knife c. A club d. A prohibited weapon 3. Conduct containing the element of a. Aggravated assault, sexual b. Arson c. Indecency with a child d. An alcohol or drug offense that a punishable as a felony 4. Retaliation against a school employee in connection with one of the offenses listed above in items 1-2 whether or not the offense occurs on or off school property or at school related activities.	1. Expulsion 2. Removal from classroom. 3. File report with local law enforcement agency, if necessary.

SOURCE: HIISD Parent/Student Handbook, 2005-06.

detention, after school detention, ISS, DAEP, expulsion, and Juvenile Justice Alternative Education Program. There are no specific guidelines for assigning the various disciplinary actions, with the exception of what is identified in the student code of conduct.

Staff members said that although the teachers are able to handle the minor discipline problems in the classroom, the discipline referrals are not addressed in a timely manner. Teachers expressed concerns with the discipline process, including teacher enforcement of the student code of conduct, and the time it takes for the district administration to address individual student discipline problems. There is also some concern from both parents and teachers that athletic students receive special treatment and this is recognized by the other students. Another concern expressed

EXHIBIT 6-4
HIISD CLASSROOM RULES FOR ELEMENTARY GRADES 3, 4, AND 5
2005–06

EXPECTATIONS
1. We will listen and follow directions.
2. We will raise our hand to speak.
3. We have necessary supplies at all times.
4. We keep our hands and feet to ourselves.
5. We keep our area neat and stay in our place.
6. We treat everyone with courtesy and respect.
CONSEQUENCES
1. First Disruption: Verbal Warning
2. Second Disruption: Name
3. Third Disruption: Name, one check, parent called
4. Fourth Disruption: Sent to Office to see Principal
5. Severe Disruption: Sent to Office Immediately

SOURCE: HIISD counselor/curriculum director, February 28, 2006.

by parents is that repeated inappropriate student behavior is allowed to continue without appropriate consequences.

Although HIISD has adopted a student code of conduct as required by TEC §37.001, failure to enforce the student code of conduct in a timely and consistent manner renders the code ineffective, and results in a potentially unsafe environment for both students and teachers. Discipline problems can escalate when they are not addressed, or addressed consistently. Teachers are not able to focus on the instructional program and class lessons when the class is interrupted by students who are tardy, persistently misbehaving, or act inappropriately. When district administration does not enforce the student code of conduct, they are not following the guidelines set in the board Policy FO (LEGAL).

To maintain the safety and order of Texas' campuses and classrooms, the Texas legislature has developed a detailed statutory process to address serious student discipline problems. Clear guidelines on how to handle serious discipline situations, the serious consequences involved, and the roles of teachers and administrators in the discipline process are identified in the TEC Chapter 37.

The Association of Texas Professional Educators (ATPE), in regards to the Safe Schools Act, states "that many teachers believe that student behavior on their campuses is getting worse and the lack of support many teachers see creates a mushrooming discipline problem because students see few, if any, consequences for misbehavior." ATPE further states that "the bulk of disciplinary activities for serious behavior problems must be handled by the administration for purely practical reasons. Because of this, the handling of student discipline must be a partnership between the classroom and the front office."

ATPE further states that classroom teachers have an absolute right to send students who misbehave to the principal's office at any time to maintain effective classroom discipline. A student can be removed from a classroom if the student's repeated behavior interferes with the teacher's effective communication, or prevents other students from learning. Certain actions administrators must take to help retain classroom order are specified in the TEC. For example, ATPE states that "when a teacher removes a student for serious or persistent misbehavior that significantly interferes with the teacher's ability to communicate with the class, state law requires the principal to hold a conference with the student, the teacher and at least one of the student's parents. The student may not be returned to class before the conference is held." TEC §37.002 (c), (d) and §37.003 states that if the teacher refuses consent for the student to return to class, the student may be placed in another class, ISS or a DAEP unless a placement review committee (PRC) determines that the prior placement is the best or only available alternative. The PRC consists of three people: two teachers chosen by campus faculty and one professional staff member chosen by the principal. Although the principal can serve on the PRC, the principal cannot unilaterally make a placement decision.

The Texas School Performance Review (TSPR) publication, *Keeping Texas Children Safe in School*, January 2000, states, "A code of conduct may comply with the letter of the law, but it can accomplish little on its own. No matter how well-written, a code of conduct is only useful when it is used—and used consistently. If the students on one campus are treated differently than those on another, or if the rules are bent for various groups of students while other groups are expected to toe the mark, critical boundaries are blurred and respect for the system is undermined."

The superintendent should develop administrative procedures to make sure HIISD's discipline management plan is enforced timely. The superintendent should meet with teachers to gather input as to what the procedures should entail, along with an established timeline for addressing discipline referrals, to ensure consistency in the application of the discipline management program. The superintendent or designee

should develop a detailed discipline referral form that includes the PEIMS codes for violations of the student code of conduct, action codes, teacher remarks, and administrator remarks.

INCIDENT REPORTING (REC. 65)

HIISD does not publish annual incident reports to the board, community, and parents, or hold public hearings for discussion of the reports as outlined in state law.

The district is not compiling and publishing an annual district behavior and violent incident report, although the information is available. The PEIMS coordinator receives copies of discipline referral notices, and enters the incident numbers into the system on a weekly basis in chronological date order. The computer system automatically assigns the action numbers. The PEIMS coordinator has the capability to run incident reports for the staff. The staff has not been presented with any type of review on discipline incidents or violations to the district's student code of conduct. The superintendent was unaware of the legal requirement in TEC §39.053 to publish a report for the board and community, and hold an annual public hearing on the report. Incident statistics are generated to satisfy PEIMS reporting requirements, but are not published annually for the board or the community.

Exhibit 6-5 compares HIISD's total incidents to its peer districts for school years 2002–03 through 2004–05. HIISD is ranked second highest in total number of incidents among its peer districts.

The report shows that during the period from 2002–03 through 2004–05, HIISD had 292 incident reports. Although the number of incidents fluctuated for elementary and middle schools during the total period, the high school incidents and overall incidents declined from 2003–04 to 2004–05.

Exhibit 6-6 provides the actual number of HIISD PEIMS incident reports for the years 2002–03 through 2004–05. The report provides the number of incidents by code (reason), type of incident by school year, and three year total by incident. The total number of incidents has steadily decreased over the past three years.

During the past three school years, the district reported seven incidents of "possessed, sold or used marijuana or other controlled substance," and eight incidents of "possessed, purchased, used or accepted a cigarette or tobacco product". HIISD's highest reported incidents for the 3-year period were 268 for "violation of the student code of conduct".

Surveys showed that both HIISD students and parents believe that students are safe and secure at school, but a significant number of teacher, parent, and student survey responses indicated that drugs were a problem in HIISD. **Exhibit 6-7** provides responses to survey questions regarding safety and security in the schools.

Survey results revealed that 54 percent of the teachers, 34 percent of the students, and 47 percent of the parents perceived that drugs were a problem, although HIISD has not reported a significant number of drug related incidents.

Without a comprehensive report that provides historical data and data listed by categories, school and district administrators cannot evaluate and monitor the type and frequency of incidents occurring in the district. They cannot analyze the data to determine trends, evaluate the effectiveness of

EXHIBIT 6-5
COMPARISION OF TOTAL INCIDENTS
HIISD AND PEER DISTRICTS
2002–03 THROUGH 2004–05

DISTRICTS	2002–03 TOTAL **	2003–04 TOTAL	2004–05 TOTAL	TOTAL YEARS
Chester ISD	187	120	38	345
HIGH ISLAND ISD	**107**	**96**	**89**	**292**
Silverton ISD	21	26	12	59
Vega ISD	*	6	8	17
Witharral ISD	*	8	*	15

*Numbers less than five have not been cited due to the FERPA 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
** Due to FERPA campus level numbers are not represented in this exhibit.
SOURCE: Texas Education Agency, PEIMS 2002-03 through 2004-05.

EXHIBIT 6-6
HIISD INCIDENT REPORTS
2002–03 THROUGH 2004–05

CODE	TYPE OF INCIDENTS	2002–03	2003–04	2004–05	TOTAL YEARS
1	Disruptive behavior	*	*	*	*
2	Conduct punishable as a felony	*	*	*	*
4	Possessed, sold or used marijuana or other controlled substance	*	*	*	7
5	Possessed, sold, used or was under the influence of an alcoholic beverage	*	*	*	*
7	Public lewdness or indecent exposure	*	*	*	*
21	Violation of student code of conduct not included in codes 33 and 34	102	88	78	268
22	Criminal mischief	*	*	*	5
33	Possessed, purchased, used or accepted a cigarette or tobacco product	*	*	*	8
	TOTALS:	**107**	**96**	**89**	**292**

*Numbers less than five have not been cited due to the FERPA 34CFR Part 99.1 and Texas Education Agency procedures OP 10-03.
SOURCE: Texas Education Agency, PEIMS 2002-03 through 2004-05.

EXHIBIT 6-7
PERCEPTIONS AMONG HIISD TEACHERS, STUDENTS AND PARENTS REGARDING DRUGS AND VANDALISM
2005-06

SURVEY QUESTION: STUDENTS FEEL SAFE AND SECURE AT SCHOOL.	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
Students	17.0%	57.0%	17.0%	0.0%	9.0%
Parents	25.0%	59.0%	13.0%	0.0%	3.0%
SURVEY QUESTION: DRUGS ARE NOT A PROBLEM IN THIS DISTRICT.	**STRONGLY AGREE**	**AGREE**	**NO OPINION**	**DISAGREE**	**STRONGLY DISAGREE**
Teachers	0.0%	27.0%	18.0%	36.0%	18.0%
Students	6.0%	29.0%	31.0%	20.0%	14.0%
Parents	9.0%	28.0%	16.0%	31.0%	16.0%
SURVEY QUESTION: VANDALISM IS NOT A PROBLEM IN THIS DISTRICT.	**STRONGLY AGREE**	**AGREE**	**NO OPINION**	**DISAGREE**	**STRONGLY DISAGREE**
Teachers	9.0%	64.0%	9.0%	18.0%	0.0%
Students	17.0%	34.0%	37.0%	9.0%	3.0%
Parents	13.0%	53.0%	9.0%	16.0%	9.0%

SOURCE: HIISD School Review Surveys, January 2006.

current programs, and create additional prevention and intervention programs to further address student behavior problems. A public hearing provides parents and teachers an opportunity to address any issues and concerns related to safety and security with the district board and administration. When districts produce an annual incident report, and conduct public hearings the parents, students, and community members are more informed of the safety issues that the district faces.

The TEC §39.053, subsections (4), (5), and (6) require the board of each district to publish in their annual district performance report statistics on incidents that occurred in the district. The report must include:

- the number, rate, and type of violent crime or criminal incidents that occurred on each campus;
- information concerning school violence prevention and violence intervention policies and procedures that the district is using to protect students; and the findings

that result from evaluations conducted under the Safe and Drug-Free Schools Act of 1994; and

- findings that result from evaluations conducted under the Safe and Drug-Free Schools and Communities Act.

TEC §39.053 (c) also states that the board shall hold a hearing for public discussion of the report.

HIISD should develop annual comprehensive disciplinary incident reports for the board, employees, and community, and conduct an annual hearing to review the report. The incident reports should be distributed to and discussed by board members, school administrators, teachers, parents, and the SBDM committees at least once a year. The superintendent should use the data presented in the reports to plan for prevention and intervention programs to create a safer and secure learning environment.

EMERGENCY OPERATIONS PROCEDURES (REC. 66)

HIISD lacks a written comprehensive crisis management plan, or established emergency operations procedures to guide staff and students in crises or emergencies.

The district has a generic crisis planning manual received in 1999 from the Texas Association of School Boards, Inc., that has not been implemented. The only plan that HIISD has is a staff telephone calling list. During the 2005 hurricane evacuations, the superintendent learned that the telephone list was not current. One teacher said "When the hurricane crisis occurred, there was no communication. Nobody knew what to do and no one knew who to call." The list was updated upon their return from the evacuation and includes an alphabetical list of the employees with home and cell phone numbers. Teachers have not received training on bomb and building evacuations, or a written crisis management plan.

The superintendent attended workshops in December 2005 and January 2006 on TEC §37.108 regarding the requirement that each district adopt and implement a multi-hazard emergency operations plan. As of February 2006, HIISD did not have a draft of the plan, but the superintendent has started meeting with the SBDM committee to obtain all the required information.

Without a written crisis management plan or emergency operations procedures, the district cannot prepare staff and students to respond appropriately to an unexpected emergency. When a school is prepared prior to a crisis, the staff and students can deal with the crisis more effectively, as they have procedures to follow, which they practiced. It is important that districts and individual campuses carefully plan and focus attention on prevention, intervention, and post crisis procedures. There is a growing trend to hold the school and administrators legally responsible for developing crisis management plans, particularly when a school fails to take reasonable steps to prevent and/or manage a crisis.

The HIISD adopted board Policy CKC (LOCAL) in August 2000, which states "Crisis Management Plan – Each campus shall have emergency procedures focusing on safety for students and school personnel that can be implemented on short notice. The superintendent or designee shall develop a crisis management plan and update it yearly."

TEC §37.108 requires districts to adopt a multi-hazard emergency operations plan. This plan must provide for employee training, mandatory school drills, and include measures to confirm coordination with local emergency management agencies. In addition, it requires districts to implement a security audit. **Exhibit 6-8** contains the elements of the law.

The Texas School Safety Center provides emergency management resources for schools at http://www.txssc.txstate.edu/txsscemergmgt.htm. These resources include an emergency operations plan (EOP) template and a checklist to assist districts in designing EOPs. In addition, the center identifies four phases of emergency management, as shown in **Exhibit 6-9**.

The Virginia Department of Education published the *Resource Guide for Crisis Management in Virginia Schools* in 2002. The guide described a crisis as "a sudden, generally unanticipated event that profoundly and negatively affects a significant segment of the school population and often involves serious injury or death." A crisis management plan is critical to school safety and the health, welfare, and safety of the students and staff. The resource guide provides a detailed framework for developing a crisis management plan with a coordinated response at all levels of the district, from central office staff to school personnel and students. The guide recommends that the district establish a school response team that operates at three levels, the individual school building, central office, and community. Leadership at the central office level is important to the overall success of managing school emergencies. The guide further states that preparing for those emergencies should become a district

EXHIBIT 6-8
TEXAS EDUCATION CODE
MULTI-HAZARD EMERGENCY OPERATIONS PLAN

MULTI-HAZARD EMERGENCY OPERATIONS PLAN
(a) Each school district shall adopt and implement a multi-hazard emergency operations plan for use in district schools. The plan must address mitigation, preparedness, response, and recovery as defined by the commissioner in conjunction with the governor's office of homeland security. The plan must provide for: 1. district employee training in responding to an emergency; 2. mandatory school drills to prepare district students and employees for responding to an emergency; 3. measures to ensure coordination with local emergency management agencies, law enforcement, and fire departments in the event of an emergency; and 4. the implementation of a security audit as required by Subsection (b).
(b) At least once every three years, a school district shall conduct a security audit of the district's facilities. To the extent possible, a district shall follow security audit procedures developed by the Texas School Safety Center or a comparable public or private entity.
(c) A school district shall report the results of the security audit conducted under Subsection (b) to the district's board of trustees.

SOURCE: TEC, Section 37.108.

EXHIBIT 6-9
TEXAS SCHOOL SAFETY CENTER
FOUR PHASES OF EMERGENCY MANAGEMENT
2005–06

PHASE	ACTION
PHASE 1	
Prevention/Mitigation	Schools should conduct an assessment to identify all potential hazards that they could face, including both natural events and man-made events. The assessment should include a review of fights, crimes, and other disciplinary events that have occurred on or around school property. This will help ensure that resources are properly deployed to areas of the school where they are most needed. School officials should take steps to reduce the likelihood that people or property will be harmed when disaster strikes. For example, if a school is located in a flood zone, officials can ensure that valuable material is kept from low-lying areas. School administrators should consider the location of special student or staff populations, such as those who have disabilities, to ensure that they are not situated near potentially dangerous or inaccessible areas of the school building. Safety planning efforts should involve the school custodian or maintenance director. Typically this person has the "full run" of the building and can provide valuable insight into changes that could be made to the school's physical structure to make it safer.
PHASE 2	
Preparedness	Local emergency management, law enforcement, health, and mental health personnel should be involved in developing crisis protocols. Written agreements should be drafted, such as memoranda of understanding, that clearly delineate the roles of both emergency responders and school officials during a crisis. Parents should be made aware of the crisis plans at their child's school. In a crisis, their knowledge of the crisis plan can help reduce confusion, panic, and perhaps serious injury. Schools need to work closely with health providers and volunteer organizations to develop lists of their available resources before a disaster strikes. Knowledge of available human resources and stocks of equipment can save precious time during an emergency. Frequent drills, using as many alternate evacuation routes as possible, should be conducted to reduce the possibility that students and staff become unnecessary victims in a crisis, and to ensure that responses by public safety officials are well thought out and appropriate. Frequent drills help ensure that staff and students know what their responsibilities are during a crisis.

(continued on next page)

EXHIBIT 6-9 (CONTINUED)
TEXAS SCHOOL SAFETY CENTER
FOUR PHASES OF EMERGENCY MANAGEMENT
2005–06

PHASE	ACTION
PHASE 3	
Response	In a crisis, emergency responders must be aware of the overall makeup and population of the school.
	Emergency responders must also be aware of the physical layout of the school. Schools should provide them with confidential access to floor plans.
	A response must always take into consideration the ages and mental health of students and staff, as well as their physical abilities and limitations.
	Schools must become familiar with the Incident Command System, the system that emergency responders use to manage crises that require a multi-agency response. This system unifies terminology, structure, objectives, and functions and ensures that there is one central chain of command with information flowing smoothly to all of the agencies concerned.
PHASE 4	
Recovery	Efforts to return to the school after a disaster must be carefully timed and coordinated to meet the needs of both students and staff.
	Schools should work with qualified professionals to assess the emotional needs of students and staff and arrange for counseling and other appropriate interventions.
	To support the recovery process, schools should assemble lists of qualified mental health professionals and community organizations during the preparedness phase, so they will be available and pre-screened to help in the recovery phase as soon as needed.
	School and health care officials should have resources available to help school children cope with disaster anniversary dates or memorials.
	School buildings may incur considerable damage during an event such as a hurricane or a tornado. Schools should be prepared for the possibility of the need to relocate staff and students to alternate sites while repairs are made. Some districts developed plans to have schools function in dual shifts, thereby splitting the school day in half. This decreases the chance for the school environment to become overwhelmed.

SOURCE: Texas School Safety Center, http://www.txssc.txstate.edu/txsscemergmgt.htm, March 4, 2006.

priority and suggests incorporating crisis planning into job descriptions, personnel evaluations, and school audits.

The *Resource Guide* provides direction to districts in developing an approach to school safety anticipating potential problems, and coordinating responses that can minimize disruptions in the school community. This comprehensive guide can be accessed at the Virginia Department of Education's website at http://www.pen.k12.va.us/VDOE/Instruction/crisis-guide.pdf.

The district should adopt and implement a written comprehensive multi-hazard emergency operations plan, conduct security audits, and provide routine emergency operation procedures training for staff and students. The superintendent should meet with the SBDM committee and conduct a needs assessment to identify the potential hazards the district can face. The assessment should include taking steps to reduce loss to students and employees should an emergency occur. HIISD should include the local emergency response agencies in the assessment process and in the development of crisis response protocols. An MOU with each local emergency response agency should be drafted and approved identifying the roles and responsibilities of the district and local agencies at the time of a crisis.

The superintendent should access the Texas School Safety Center template and plan checklist for EOP, and the Resource Guide for Crisis Management in Virginia Schools to use as guides in developing district procedures. The SBDM committee should work with the superintendent on the development of the EOP, and review and update the EOP annually. The plan should be made available for community and staff comments and suggestions prior to adoption. HIISD should train all employees on the procedures outlined in the plan, with intermittent training and student drills throughout the year. The recommended training can be implemented with existing budget resources.

FIRE DRILLS (REC. 67)

HIISD does not conduct fire drills as required by the State Fire Marshal's Office, have the campus buildings routinely inspected for fire hazards, or implement the fire safety education curriculum.

The district did not have fire drill reports, or documentation showing that fire drills were conducted on a monthly basis. The superintendent said the district conducted fire drills, but could not verify how often. According to the superintendent, the district had a fire three years ago in a restroom trash can. Staff saw the smoke, called 911, grabbed fire extinguishers and put the fire out. Review of property coverage loss reports show the fire occurred on May 13, 2003, and the cost of the fire damage was $28,572.

Staff interviews revealed that HIISD does not conduct routine fire drills with students and staff. One teacher said that fire drills were fairly infrequent, probably two or three times a year. Another teacher said that they have had one, maybe two fire drills in the last two years and one tornado drill. Maintenance/custodian staff said they have no idea when fire drills occur. District staff could not provide documentation of fire safety inspections conducted on the buildings. According to a report by State Fire Marshal's Office on the *Fire Safety Evaluation of Galveston County*, the High Island Volunteer Fire Department completes annual preplanning walk through inspections in the school. The report also stated that there is no enforcement for noncompliance of noted fire safety violations identified in the annual inspections. In addition, the district staff does not implement the *Fire Safety for Texans* curriculum provided by the State Fire Marshal's Office.

Without procedures requiring the campus to conduct and report routine drills, HIISD does not guarantee that everyone, especially younger children, understands emergency evacuation procedures. There are no assurances that employees and students know which exits to use in emergencies, alternative routes to use when exits are blocked, or evacuation procedures for playgrounds. In addition, failure to request an annual inspection for fire safety hazards in the campus buildings prevents the district from making sure buildings are in safe condition and that fire hazards are eliminated. Reports on routine drills and inspections provide campuses documentation that the fire drill alarm equipment is operating properly. In addition, when the district fails to implement fire safety curriculum, students do not receive information and training that may prevent fires or harm. Failure to implement fire safety training and fire prevention education can result in incidents that may cause significant injury to students and staff or property damage, and associated costs to the district. NFPA provides requirements for school fire exit drills in NFPA 101, Chapter 15, and Existing Educational Occupancies. **Exhibit 6-10** provides some of the key requirements.

Districts are required by the Texas Insurance Commissioner to complete the "Fire Exit Drills and Fire Prevention Education in Schools" form. The Texas Department of Insurance (TDI) State Fire Marshal's Office notified districts in June 2005 that "schools are required to maintain the fire drill and fire prevention education forms in the school or district office and make them available to local or state officials upon request." The schools are required to keep forms for three years. Information about school fire drills, including reporting forms, can be accessed from TDI's website at, http://www.tdi.state.tx.us/fire/fmdrill.htlm. The State Fire Marshal's Office requires each school to complete an annual form for fire exit drills and fire prevention. A minimum of nine drills is needed, one per month for each month having ten school days or more. In addition, fire safety education should include items such as home escape plans; kitchen safety; and monthly smoke detector checks. Lesson plans for Fire Safety for Texans curriculum guides are also on TDI's website.

The TSPR report, Keeping Texas Children Safe in School, January 2000, states that although fire drills and emergency evacuations procedures are often practiced in school, open discussion among teachers and administrators are not as common. When teachers are not familiar with written procedures for handling crises, they will often handle the situation as they see fit during the crisis as they do not have time to search for the procedure. By not following proper procedures, HIISD can place students and employees at risk of injury. This can also place the district at risk of a lawsuit. When staff and students are trained in handling crises, the chances of them handling the situation appropriately increases.

Many districts develop procedures for routine drills and safety inspections. Procedures include a mechanism for monitoring campus compliance by central administration. If a fire occurs, the district would have documentation that it made every effort to maintain a safe environment, and to prepare students and staff for safe evacuation. Routine drills prepare staff and students to handle emergencies. Districts can use drill results to evaluate the effectiveness of implemented safety and security programs.

EXHIBIT 6-10
NATIONAL FIRE PROTECTION ASSOCIATON
REQUIREMENTS FOR SCHOOL FIRE EXIT DRILLS
2005-06

REFERENCE	DESCRIPTION
NFPA 101, Chapter 15.7.2.1	Emergency egress and relocation drills shall be conducted in accordance with Section 4.7 and applicable provisions of 15.7.2.2.
NFPA 101, Chapter 15.7.2.2	Emergency egress and relocation drills shall be conducted as follows: 1. Not less than one emergency egress drill and relocation drill shall be conducted every month the facility is in session. 2. All occupants of the building shall participate in the drill.
Texas Addendum Requirement:	One fire exit drill shall be conducted each month (or portion of month longer than 10 class days that the school is in session).
4.7.2* Fire Drills - Drill Frequency	Emergency egress and relocation drills, where required, shall be held with sufficient frequency to familiarize occupants with the drill procedure and to establish conduct of the drill as a matter of routine. Drill shall include suitable procedures to ensure that all persons subject to the drill participate.
4.7.3* Fire Drills - Orderly Evacuation	When conducting drills, emphasis shall be placed on orderly evacuation rather than on speed.
4.7.4* Fire Drills - Simulated Conditions	Drills shall be held at expected and unexpected times and under varying conditions to simulate the unusual conditions that can occur in an actual emergency.
4.7.6* Written Record	A written record shall be completed by the person responsible for conducting the drill and maintained in an approved manner.
Texas Addendum Requirement	Fire Safety Education and Exit Drills shall be documented on the form provided. These forms shall be kept at the Schools District Office and shall be made available upon request by local authorities.

SOURCE: Texas Department of Insurance, http://www.tdi.state.tx.us/fire/fmdrill.htlm, March 3, 2006.

HIISD should conduct and document routine fire drills and complete fire safety education as described by the NFPA and required by the State Fire Marshal's Office. Administrative procedures should be developed to require staff to report the date, time, and duration of all fire drills on the State Fire Marshal's designated form. In addition, the district should contact the State Fire Marshal's Office to arrange routine building inspections to identify any safety hazards in the district's facilities. The State Fire Marshal's Office will complete the building inspections at no cost to the district.

For background information on Safety and Security, see page. 187 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS	2006–07	2007–08	2008–09	2009–10	2010–11	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
CHAPTER 6: SAFETY AND SECURITY							
63. Establish a formalized annual agreement with HFISD to provide DAEP services for students assigned to the program.	$0	$0	$0	$0	$0	$0	$0
64. Develop administrative procedures to make sure HIISD's discipline management plan is enforced timely.	$0	$0	$0	$0	$0	$0	$0
65. Develop annual comprehensive disciplinary incident reports for the board, employees, and community, and conduct an annual hearing to review the report.	$0	$0	$0	$0	$0	$0	$0
66. Adopt and implement a written comprehensive multi-hazard emergency operations plan, conduct security audits, and provide routine emergency operation procedures training for staff and students.	$0	$0	$0	$0	$0	$0	$0
67. Conduct and document routine fire drills and complete fire safety education as described by the NFPA and required by the State Fire Marshal's Office.	$0	$0	$0	$0	$0	$0	$0
TOTALS-CHAPTER 6	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

APPENDICES

HIGH ISLAND INDEPENDENT SCHOOL DISTRICT

GENERAL INFORMATION

CHAPTER 1
EDUCATIONAL SERVICE DELIVERY

The schools are in three separate facilities on the same property: an elementary school (kindergarten through grade 5), middle school (grades 6–8), and a high school (grades 9–12).

Exhibit A-1 shows the organization of High Island Independent School District's (HIISD) curriculum and instruction functions.

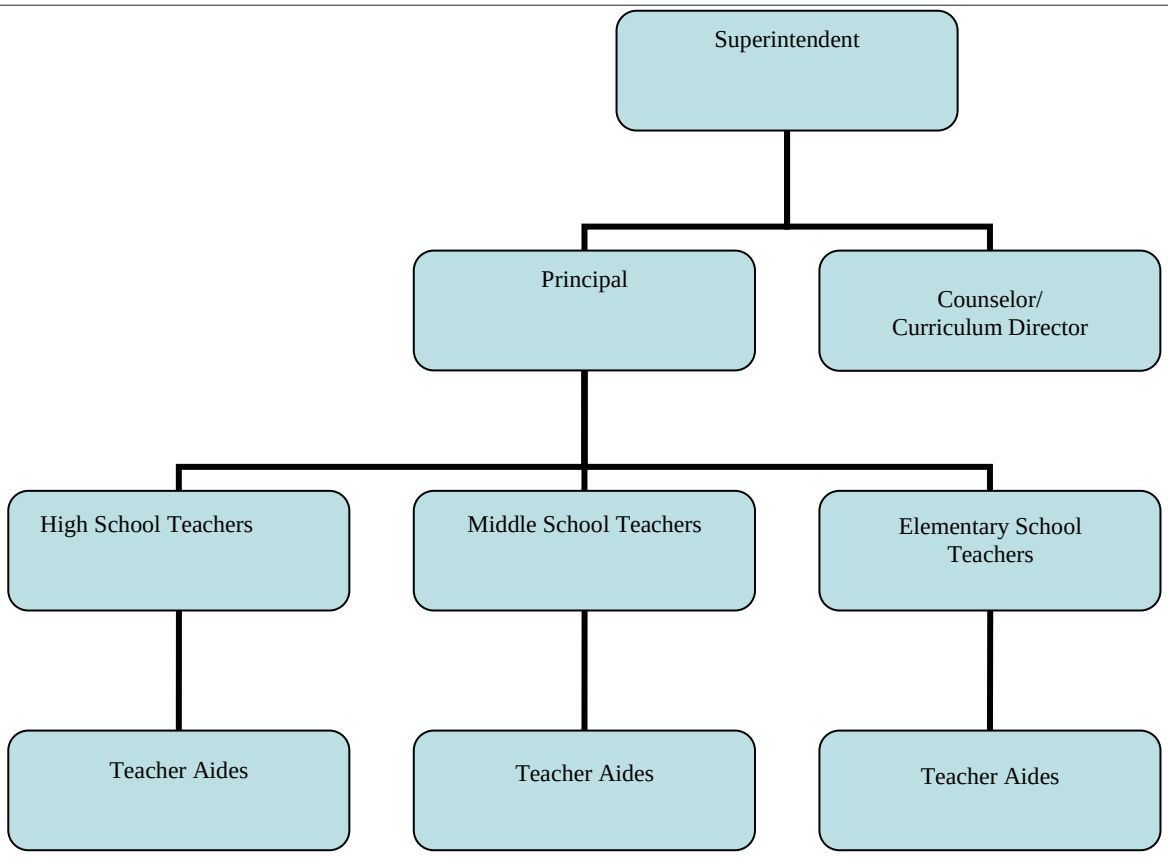
Exhibit A-2 compares the district's per student expenditures to the state. Both instructional leadership and student support services are lower than the state expenditures.

In 2005–06, the elementary school has one teacher per grade level, and class sizes are shown in **Exhibit A-3**. The ratio of students to teachers in the elementary school is 12 to 1.

At the middle school the student/teacher ratio is 19.3 students for each teacher. One of the three teachers is a special education teacher. There are 12 high school teachers with an average class size of 11.8 students. There are four coaches who also teach academic subjects.

HIISD implemented several programs over the past three years that have been discontinued. **Exhibit A-4** is a list of those programs, with explanations as to why they were discontinued.

EXHIBIT A-1
CURRICULUM ORGANIZATION AND MANAGEMENT



SOURCE: HIISD superintendent and counselor/curriculum director interviews, February 2006.

EXHIBIT A-2
STUDENT EXPENDITURES
HIISD AND STATE

EXPENDITURE	DISTRICT	STATE
Instruction	$3,864	$4,103
Instructional-Related Services	$335	$254
Instructional Leadership	$59	$111
School Leadership	$389	$400
Support Services-Student	$170	$340
Central Administration	$806	$256

SOURCE: Texas Education Agency, Academic Excellence Indicator System (AEIS) Reports, 2005.

EXHIBIT A-3
ELEMENTARY CLASS SIZES BY GRADE
2005–06

GRADE	ENROLLMENT
Kindergarten	9
Grade 1	8
Grade 2	17
Grade 3	14
Grade 4	10
Grade 5	14
TOTAL	**72**

SOURCE: HIISD Master Schedule, February 2006.

STAFF DEVELOPMENT

HIISD provides professional development opportunities for teachers, both on-site and through Regional Education Service Center V (Region 5). The school counselor conducts annual training on various topics during teacher in-service days. Region 5 training topics include subject-specific training, special education, curriculum training, legal issues for educators, and drug and alcohol training.

EXHIBIT A-4
HIISD INSTRUCTIONAL PROGRAMS DISCONTINUED
SINCE 2002–03

PROGRAM	GRADE LEVEL ADDRESSED	REASON FOR DISCONTINUATION
Waterford Reading Program	K-1	Grant Funding Ended
IndiVisual Reading Program	Middle School	Pilot Program - free the first year because of pilot study; could not afford cost per student.
Home Economics Program	High School	Low numbers of students enrolling in courses.
Elementary Music Program	K-5	Teacher not available.

SOURCE: HIISD counselor/curriculum director, February 2006.

The district allots significantly more funding for professional development than do peer districts, as shown in **Exhibit A-5**.

ADEQUATE YEARLY PROGRESS

The No Child Left Behind Act of 2001 (NCLB) was signed into law on January 8, 2002. Under NCLB, accountability provisions that formerly applied only to districts and campuses receiving Title I, Part A funds now apply to all districts and campuses. All public school districts, campuses, and the state are evaluated annually for Adequate Yearly Progress (AYP). The statewide assessment program in Texas currently includes Texas Assessment of Knowledge and Skills (TAKS) and the State Developed Alternative Assessment. These assessments measure student progress on the Texas Essential Knowledge and Skills (TEKS) in reading at grades 3–9, in writing at grades 4 and 7, in English/language arts at grades 10 and 11, in mathematics

EXHIBIT A-5
PROFESSIONAL DEVELOPMENT EXPENDITURES
HIISD AND PEER DISTRICTS
2003–04 THROUGH 2004–05

	DESCRIPTION	CHESTER ISD	HIGH ISLAND ISD	SILVERTON ISD	VEGA ISD	WHITHARRAL ISD
2003-04	Curriculum Development and Instructional Staff Development	0.05%	1.32%	0.12%	0.01%	0.32%
2004-05	Curriculum Development and Instructional Staff Development	0.12%	1.50%	0.09%	1.50%	0.09%
2003-04	Per Student Curriculum Development and Instructional Staff Development	$5	$98	$8	$1	$26

SOURCE: Texas Education Agency, General Fund Actual Financial Data, 2003-04 and 2004-05.

at grades 3–11, in science at grades 5, 10, and 11, and social studies at grades 8, 10, and 11.

The district has met AYP for the past three years. **Exhibit A-6** compares HIISD with peers for 2004–05. HIISD scored lower than peers in all areas in 2004–05, but still achieved standards to meet AYP.

Student performance scores on TAKS have fluctuated over the past three years with steady declines in elementary and middle school mathematics. HIISD has set goals for improvement for mathematics in the Campus Improvement Plans (CIP) that include an annual campus performance objective of:

- Grade 3 – 70 percent;
- Grade 4 – 75 percent;
- Grade 5 – 75 percent;
- Grade 6 – 80 percent;
- Grade 7 – 75 percent;
- Grade 8 – 75 percent; and
- High School – 70 percent.

Exhibit A-7 shows the performance ratings among all three campuses in reading, mathematics and attendance rate (elementary and middle schools), or graduation rate (high school) for the past three years.

PUBLIC EDUCATION INFORMATION MANAGEMENT SYSTEM (PEIMS) DROP-OUT REPORTING INTEGRITY

In 2003, an outside auditing firm conducted an Annual Dropout Records Report based on the PEIMS Fall Resubmission of January 2003 and documented one finding. Of 58 student files tested from the reported leaver code population, 2 files were identified in which the documentation did not support the leaver code in the PEIMS system. A recommendation was made to implement procedures to ensure that appropriate documentation supporting student leavers is maintained in student files. Furthermore, when additional information regarding the reason for leaving is filed in a student's folder, procedures should be in place to update the leaver code in the system. The district implemented a corrective action plan to guarantee proper documentation.

SPECIAL EDUCATION

HIISD is a member of the Gulf Coast Special Education Cooperative (GCSEC), which oversees the special education program for the district. The costs associated with this membership are paid from the district's federal IDEA-B fund. The GCSEC provides program facilitation, assessment and evaluation, procedures, and Admission, Review and

EXHIBIT A-6
HIISD PERCENTAGE MEETS ADEQUATE YEARLY PROGRESS
ALL STUDENTS COMPARED TO PEERS
2004–05

DISTRICT	READING	MATHEMATICS	GRADUATION RATE
Whitharral ISD	93%	87%	100%
Silverton ISD	89%	86%	100%
Vega ISD	90%	85%	91.3%
HIGH ISLAND ISD	**69%**	**52%**	**86.1%**
Chester ISD	81%	63%	95.5%

SOURCE: Texas Education Agency, AYP Report, 2004-05.

EXHIBIT A-7
HIISD CAMPUS ADEQUATE YEARLY PROGRESS PASSING RATES
2003, 2004, AND 2005

	READING			MATHEMATICS			ATTENDANCE OR GRADUATION RATE	
	2003	2004	2005	2003	2004	2005	2003	2004
Elementary School	82%	71%	54%	57%	56%	46%	95.2%	95%
Middle School	66%	77%	81%	35%	63%	54%	94.9%	96%
High School	64%	70%	54%	65%	70%	52%	93.9%	86%

SOURCE: Texas Education Agency, AYP Reports, 2003, 2004, and 2005.

Dismissal (ARD) committee meeting facilitation. Speech therapy services are contracted to a certified speech therapist. However, the counselor/curriculum director supervises the special education teachers.

The federal Individuals with Disabilities Education Act (IDEA) of 1997 (reauthorization in 2004), Texas Administrative Code and Texas Education Code (TEC) each stipulate expenditures by districts must be specific to personnel (appropriately licensed or certified), materials, supplies or equipment of at least 85 percent of special education funds. The purpose of the expenditure of these funds is to increase special education student academic functioning levels through specific instruction, specialized strategies and materials/equipment specific to the individual needs of the special education student.

Special education funds at HIISD are allotted to the salaries of two special edu cation certified teachers, the contract with the GCSEC for special education services, a contracted licensed speech therapist, materials and supplies, and three teacher aides. The district also pays a portion of the salaries of the curriculum director and the librarian from special education funds.

Exhibit A-8 shows the district special education revenues, 85 percent totals, and total expenditures for the past two years.

BILINGUAL

The English as a Second Language (ESL) program at HIISD is a pull-out program, with an ESL endorsed teacher at the elementary/middle school level and another at the high school. Eligible students receive 50 minutes of ESL instruction per day. No students have been referred for the program in 2005–06. Upon folder review, the review team found that Language Proficiency Assessment Committee meetings had occurred in a timely fashion and there were no parent denials for service.

CAREER AND TECHNICAL EDUCATION

There are currently 35 students enrolled in Career and Technical Education (CTE) classes in HIISD. The courses offered are appropriate to the CTE program. The district contracts with Region 5 for policies and procedures for this program, and for staff training.

SPECIAL PROGRAMS STUDENT ENROLLMENT

The district percentages of student enrollment in special programs as compared to the state percentages by campus are shown in **Exhibit A-9**.

Exhibit A-10 shows the district allocation of funds for special programs in 2004–05.

COMPENSATORY EDUCATION

HIISD has 39.2 percent of its students identified as "at-risk" of failure to complete school. The district's percentage of "at-risk" students is significantly lower than the state's and

EXHIBIT A-8
HIISD SPECIAL EDUCATON REVENUES AND EXPENDITURES
2004–05 AND 2005–06

YEAR	IDEA-B REVENUE	STATE REVENUE	TOTAL REVENUE	85% OF TOTAL REVENUE	TOTAL EXPENDITURES
2004-05	$52,602	$236,139	$288,741	$245,429	$250,836
2005-06	$56,367	$268,797	$325,164	$276,389	(funds budgeted, not yet spent)

SOURCE: HIISD Budget Status Summary by Program Intent Report, 2004-05 and 2005-06.

EXHIBIT A-9
STUDENT ENROLLMENT BY PROGRAM
HIISD AND STATE
2004–05

DISTRICT	PROGRAM	HIISD	STATE
HIISD	Bilingual/ESL	2.0	14.4%
	CTE	20.4	20.3%
	Gifted/Talented (G/T)	2.0	7.7%
	Special Education	19.6	11.6%

SOURCE: Texas Education Agency, AEIS 2004-05.

EXHIBIT A-10
HIISD BUDGET STATUS SUMMARY BY PROGRAM INTENT
2004–05

	EXPENDITURE	PERCENT OF GENERAL FUND	STUDENT ENROLLMENT PERCENTAGES	VARIANCE
Bilingual/ESL	$10,668	0.8%	2.0%	-1.2%
CTE	$51,361	4.0%	20.4%	-16.4%
G/T	$578	0.0%	2.0%	-2.0%
Special Education	$185,099	14.3%	19.6%	-5.3%

SOURCE: Texas Education Agency, AEIS, 2004-05.

the region's, and its attendance rate and completion rates are slightly lower than the state and the region (**Exhibit A-11**).

HEALTH SERVICES

The district does not employ a school nurse. The PEIMS coordinator monitors health services by dispensing medication, or contacting parents when students are ill and need to leave school. The coordinator does not make any decisions regarding whether or not a student complaining of illness should go home or stay in school, but merely facilitates the contact with the parent. HIISD district policy states that employees authorized by the superintendent or designee may administer prescription medication to students, if labeled appropriately and with parental consent for a period of up to ten days, or longer with written request by a physician. The designee may administer nonprescription medication upon parent's written request when properly labeled and in the original container, or herbal substances provided by the parent only if required by the Individual Education Plan or Section 504 plan of a student with disabilities. No district employee may suggest to a parent or student that a student uses any psychotropic drug, suggest a particular diagnosis, or exclude a student from any school activity because of parent refusal to consent to psychiatric evaluation or examination or treatment of the student. The district, the board, and its employees are immune from civil liability for damages or injuries resulting from the administration of medication to a student according to district policy.

EXHIBIT A-11
PERCENTAGE AT-RISK STUDENTS, ATTENDANCE, DROPOUT, AND COMPLETION RATES
HIISD, STATE, AND REGION 5
2002–03 THROUGH 2004–05

RATE	YEAR	HIISD	STATE	REGION
Percentage of At-Risk Students	2004-05	39.2%	45.8%	41.3%
Attendance	2002-03	94.8%	95.6%	95.0%
	2003-04	95.2%	95.7%	95.6%
Annual Dropout Rate (7-8)	2002-03	0.0%	0.2%	0.2%
	2003-04	0.0%	0.2%	0.2%
Annual Dropout Rate (7-12)	2002-03	0.6%	0.9%	0.9%
	2003-04	0.5%	0.9%	0.9%
Completion Rate I (w/o GED)	2002-03	93.9%	92.2%	92.6%
	2003-04	91.7%	91.9%	94.8%

SOURCE: Texas Education Agency, AEIS, 2002-03, 2003-04, and 2004-05.

Each year parents complete and sign a form providing emergency information, and authorizing school officials to obtain emergency medical treatment for any injuries occurring at school, or for any illnesses requiring emergency treatment.

The *Parent/Student Handbook* describes the process by which a student is admitted into the PEIMS coordinator's office in case of illness, and the particulars concerning administration of medication according to board policy.

Vision and hearing screening is provided to students in grade 9, and to any student new to the district at the beginning of the school year.

In the event a student or parent requests additional services beyond the capability of the district for medical, emotional, behavioral or other issues, the school counselor provides referral information to parents from the following resources:

- Texas Department of Family and Protective Services – for reports of child abuse or neglect;
- Mental Health/Counseling Network – information, education and support for mental health, substance abuse, agencies, family counseling or teen issues;
- Galveston County Help Lines – available hotlines and contact numbers for support groups and crisis centers;

- Family Service Center of Galveston County, Texas, Inc. – counseling, educational and run away services;
- The Richard L. Shorkey, Education and Rehabilitation Center of Southeast Texas – physical, occupational, art, music and speech therapy, diagnostic evaluations, developmental screening; and
- The Jesse Tree – a community-based information management system for medical care and social services.

CHAPTER 2
LEADERSHIP, MANAGEMENT, HUMAN RESOURCES, AND COMMUNITY INVOLVEMENT

BOARD MEETINGS

Board meetings at HIISD are held on the second Monday of each month, and are generally held at the middle school. Agendas are prepared by the superintendent and the finance officer; the superintendent contacts the board president on Wednesday before packets are completed to discuss the agenda, and to determine if additions or modifications are required. Agendas and board packets are distributed to all board members on Friday preceding the board meeting on Monday. Agendas are posted at least 72 hours before the scheduled meeting time. A review team member attended a board meeting on April 10, 2006. The meeting was conducted in an organized and orderly manner and ran approximately 23 minutes.

BOARD POLICIES

HIISD has contracted with the Texas Association of School Boards, Inc. (TASB) for Policy On-line services. The board approved an agreement last year to pay $1,700 to TASB for comparing the district manual to TASB records, translating, installing the district's localized policy manual, and supporting and maintaining the electronic manual. An $800 fee for support and maintenance is paid annually. Once a proposed policy update is received from TASB, the policy is presented to the board as a discussion item at the next regular board meeting. The policy is generally presented at the next meeting as an action item. The district policies online can be accessed through the district's website.

LEGAL SERVICES

HIISD currently employs the firm of Walsh, Anderson, Brown and Schultz as attorneys for the district. They pay an annual retainer fee of $1,000 to the firm, as well as $215 per hour in legal services beyond general advice. In 2004–05, the district paid a total of $6,132.75 in legal fees that included the retainer fee. For 2005–06, the district's finance officer reported that the district has only had to pay the following legal fees (all to Walsh, Anderson, Brown and Schultz):

- $1,000 - retainer;
- $43.00 - National School Fitness case;
- $451.50 - Wastewater Services Study;
- $107.50 - prepare audit letter; and
- $537.50 - Wastewater Services Study.

EMPLOYEE HANDBOOK

The superintendent has developed and disseminated an employee handbook. The introduction indicates that the purpose for the handbook is "to provide information that will help with questions and to pave the way for a successful year." The handbook contains sections on the following areas:

- district information;
- employment;
- compensation and benefits;
- leaves and absences;
- employee conduct and welfare;
- general procedures;
- termination of employment; and
- student issues.

RECORDS MANAGEMENT

Personnel records are stored in the administration building and are maintained by the payroll officer. All records are maintained in file cabinets and access is safeguarded since records have to be requested through either the payroll officer or the finance officer.

The finance officer is the records management officer for the district and receives a supplement for this function. This position maintains the retention schedule information and communicates this information to the individuals in charge of departments. These individuals are responsible for guaranteeing that the records under their area of responsibility are maintained, purged, and stored appropriately. Permanent student records are kept in a fireproof file in the principal's

area in the high school. General finance and personnel records are kept in the administration building. According to the records management officer, really old inactive records are taken to the bus barn for storage. Records that are scheduled for destruction are labeled, but the district is several years overdue for destruction according to this officer.

ADMINISTRATIVE SOFTWARE

The district uses the Regional Services Center Computer Cooperative (RSCCC) system for human resources and payroll. The system has been used for several years and the payroll officer has received training in the use of the software system.

The payroll officer is responsible for keeping track of, and maintaining leave and vacation time information. Even though the superintendent is responsible for approving discretionary and long-term leave as well as vacation, employees communicate with the payroll officer to check on availability of days and types of leave. The payroll officer works closely with the principal's secretary to make sure that absences are reported correctly by the staff, and maintains a well documented and accurate process of absence deductions.

SALARY SCHEDULE AND PAYROL GUIDELINES

HIISD has a published salary schedule and payroll guidelines document that includes the following:

- Salary schedules for administrative and para-professionals, including 10 positions with information on number of days worked, starting salary, and starting salary with experience; information on paid holidays, sick leave and vacation days are included.
- Salary schedule for teachers including information regarding travel leave, substitute pay and stipends.
- Salary schedule for teacher aides and auxiliary division with holiday and leave information.
- Schedule of supplemental payments and reimbursements.
- Salary schedules for maintenance and custodial divisions.
- Salary schedule for cafeteria division.

WASTE TREATMENT FACILITY

The superintendent is HIISD's spokesperson, and represents the district's interests in community matters such as those involving the waste treatment facility in High Island. The district is involved in a dispute with some community members regarding whether or not the district should provide services to the community through its waste water treatment facility. According to the superintendent, the Texas Education Agency's (TEA) legal division has stated that the district can not run this system for the benefit of community and not charge for this. According to the superintendent, the dispute involving the district's role in this has been going on for years and it takes up more of his time than any other district issue.

DISTRICT COMMUNICATION

The superintendent and school staff provides district information to area newspapers to try to communicate school information to all area residents. HIISD also has a website providing information to parents, students, staff, and community regarding upcoming events, board policy, administrative and teacher contacts, calendars, and clubs and athletics. The district plans to expand the information available through this communication vehicle.

OPEN RECORDS PROCEDURES

HIISD does not have open records procedures, nor does the district post the required signage. The superintendent said the district does not have requests for records and neither he nor the board members have gone to open records training.

CHAPTER 3
FINANCIAL MANAGEMENT

TAX COLLECTIONS

HIISD contracts with the Galveston County Tax Office (Tax Office) for the collection of taxes. This arrangement started in 2003 when the district closed its tax office. At that time the district signed an interlocal agreement for tax collection for a fee of $.55 per parcel, or 1 percent of the levy, whichever was lower. In 2004, the fee was lowered to $.45 per parcel, or 1 percent of the levy, whichever was lower. HIISD has approximately 4,292 parcels, making the estimated fee for 2006 tax collections $1,931(4,292 x $.45 = $1,931). **Exhibit A-12** displays current tax collections for 2002–2005. The exhibit shows that the percentage of tax collected has remained steady at just over 90 percent.

EXHIBIT A-12
CURRENT TAX COLLECTIONS
2002–03 THROUGH 2004–05

		CURRENT COLLECTIONS			
TAX YEAR	ADJUSTED LEVY	M&O	DEBT SERVICE	TOTAL	PERCENT
2002	$916,519	$843,705	$0	$843,705	92%
2003	$915,847	$836,846	$0	$836,846	91%
2004	$1,153,003	$890,858	$160,364	$1,051,222	91%
2005	$1,343,566	$1,089,378	$151,859	$1,241,237	92%

SOURCE: HIISD Annual Audit Reports for Fiscal Years 2001-02, 2002-03, 2003-04, and 2004-05.

The Tax Office contracts with the law firm of Linebarger, Coggan, Blair, & Sampson, LLP for the collection of delinquent taxes. **Exhibit A-13** shows the district has a very high total tax collection rate for the years 2002–03 through 2004–05. Total tax collections include the combined total of both current and delinquent taxes.

The Tax Office regularly deposits tax collections directly into HIISD's tax fund bank account. The finance officer then moves maintenance and operations taxes into the local maintenance bank account, which is tied to an interest earning sweep account. The finance office keeps a record of deposits, reconciles monthly tax collections, and prepares a Tax Collection Report for the superintendent and board.

EXTERNAL AUDIT

TEC §44.008 requires a district to have an annual audit of its accounts performed at the close of the fiscal year. A certified or public accountant holding a permit from the Texas State Board of Accountancy must conduct the audit. The resulting audit report must be approved by the district's board and filed with TEA no later than 150 days after the close of fiscal year. The audit firm of Edwards, Tate and Fontenote, LLP, conducted HIISD's 2004–05 annual audit. The audit resulted in the district receiving an unqualified opinion on its basic financial statements. An unqualified opinion is given when, in the auditor's opinion, the financial statements are presented fairly and free of material defects.

SPECIAL REVENUES

During 2004–05, HIISD expended $267,646 in 10 special revenue funds. **Exhibit A-14** is a list of the HIISD's special revenue funds for the 2004–05 school year.

Special revenue expenditure reports are made through the TEA Secure Environment web-based reporting system. The Single Audit Act (ACT) and Office of Management and Budget Circular A-133 require districts that expend total federal financial assistance equal to, or in excess of, $500,000 in a fiscal year to have an audit performed in accordance with the ACT. In the 2005 audit report, the district's external auditor said that HIISD expends less than $300,000 in any program, and is considered a low-risk auditee.

BONDED DEBT

In 2004 the district issued $2,170,000 in Unlimited Tax Refunding Bonds Series 2004. The proceeds from the sale were used to refund the Unlimited Tax Refunding Bonds Series 2002 and to pay closing costs. The new bonds are guaranteed by the state's Permanent School Fund Guarantee Program. The bonds have a fixed interest rate, and replace bonds issued at variable rates.

EXHIBIT A-13
TOTAL CURRENT AND DELINQUENT TAX COLLECTIONS
2002–03 THROUGH 2005–06

		TOTAL TAX COLLECTIONS			
TAX YEAR	ADJUSTED LEVY	M&O	DEBT SERVICE	TOTAL	PERCENT
2002	916,519	$888,921	$0	$888,921	97%
2003	915,847	$882,423	$0	$882,423	96%
2004	1,153,003	$954,190	$160,364	$1,114,554	97%
2005	1,343,566	$1,153,034	$157,525	$1,310,559	98%

SOURCE: HIISD Annual Audit Reports for Fiscal Years 2001-02, 2002-03, 2003-04, and 2004-05.

EXHIBIT A-14
SPECIAL REVENUE FUNDS
2004–05

PROGRAMS	EXPENDITURES 2004-05
Title , Part A Improving Basic Programs	$31,305
National School Nutrition	121,560
Title II, Part A Teacher & Principal Training & Recruiting	9,942
Title II Part D Enhancing Education Through Technology	946
Title V, Part A Innovative Programs	1,273
Title VI Part B Rural and Low-Income Schools Program	32,487
Shared Service Arrangement - IDEA Part B Special Education	52,602
Optional Extended Year Program	714
Accelerated Reading Instruction	9,764
Technology Allotment	7,053
TOTAL	**$267,646**

SOURCE: HIISD Expenditure Report, 2004-05.

DEPOSITORY CONTRACT

HIISD requested sealed bids from financial institutions in 2005 wanting to act as the district's depository bank. The bid covered the period from September 1, 2005, through August 31, 2007. Only the Gulf Coast Bank of Winnie submitted a bid. The contract was accepted by HIISD on June 13, 2005. The bid includes an interest earning checking account, which is a local maintenance sweep account paying a variable rate of interest based on the prior months average 91 days Treasury Bill weekly auction rate, less 25 basis points. The sweep account is tied to a non-interest bearing local maintenance checking account. The local maintenance bank account is required to maintain a minimum compensating balance of $100,000. Fees for services are offset by the compensating balance requirement, and earning credits are computed using a formula included in the bid. Other services provided by the depository include:

- personal computer access available for balance reporting;
- direct deposit of payroll through computer disk;
- a $700 credit toward the printing of checks and deposit slips;
- personnel computer access for initiating stop payments; and
- personnel computer access for wire transfers.

HEALTH AND LIFE INSURANCE

HIISD is required to participate in the Teacher Retirement System's (TRS) ActiveCare health plan, due to the number of employees. In the Legislative Budget Board's survey distributed to teachers, 55 percent of the responses agreed that the health insurance benefit package met their needs. **Exhibit A-15** provides the TRS ActiveCare premiums, employee premium share, and number of participants by plan in HIISD. The district contributes $275 per month to

EXHIBIT A-15
TEACHERS RETIREMENT SYSTEM ACTIVECARE MONTHLY PREMIUMS AND HIISD PARTICIPATION
2005–06 PLAN YEARS

COVERAGE CATEGORY	TRS ACTIVECARE 2005–06								
	OPTION 1			OPTION 2			OPTION 3		
	TOTAL PREMIUM	EMPLOYEE SHARE	NUMBER OF PARTICIPANTS	TOTAL PREMIUM	EMPLOYEE SHARE	NUMBER OF PARTICIPANTS	TOTAL PREMIUM	EMPLOYEE SHARE	NUMBER OF PARTICIPANTS
Employee Only	$249	$0		$331	$56		$446	$171	
Employee & Spouse	$566	$291		$753	$478		$1,014	$739	
Employee & Children	$396	$121		$527	$252		$710	$435	
Employee & Family	$623	$348		$828	$553		$1,115	$840	
TOTAL HIISD PARTICIPANTS			**3**			**9**			**27**

SOURCE: HIISD Business office, February 15, 2005.

the employee's premium, and 39 employees participate in the TRS ActiveCare plans.

The payroll officer is responsible for coordinating HIISD's TRS ActiveCare open enrollments during the fall and spring. TRS provides a video on the health plan for employees to view, which all employees are required to watch. If employees have specific questions regarding the plan, the payroll officer will contact the TRS customer service to obtain additional information as needed. The payroll officer processes the enrollment forms, sets up the payroll deductions, and completes the monthly report to TEA regarding the number of employee participants and health care funding.

In addition to the health care plan, HIISD also pays for a $10,000 basic group life and accidental death and dismemberment insurance policy for employees through Jefferson Pilot Life Insurance and the Texas Association of School Board's, Inc. at $1.10 per employee.

UNEMPLOYMENT COMPENSATION

Districts must provide unemployment compensation benefits to former employees who qualify for benefits under the Texas Unemployment Compensation Act. To finance these benefits, HIISD participates in the TASB Unemployment Compensation Program through an interlocal agreement. This risk pool sets a maximum contribution for HIISD based on an approval rate for the fiscal period. In return, TASB agrees to make claim payments on behalf of the district. **Exhibit A-16** shows HIISD's annual contributions, number of claims and benefits paid for 1998–99 through 2004–05.

HIISD has had excellent loss experience, which resulted in a reduction in contributions over several years for the unemployment compensation program.

PROPERTY CASUALTY COVERAGES

HIISD's last property appraisal was February 2005 by the TASB. Property and contents for the classrooms, football field, and fitness center was appraised at $9,283,704. The teacherages and administration building were appraised at $325,200.

Exhibit A-17 provides the current coverage purchased by the district for the 2005–06 school year.

HIISD does not carry equipment breakdown coverage or crime coverage. The payroll officer and the finance officer are the only bonded positions. The district relies on the TASB School Professional Legal Liability policy to cover the superintendent, principal, curriculum director/counselor, and board members for any errors and omissions. District staff did not provide any information on a current student insurance program.

HIISD has had an excellent loss experience until recently for their casualty programs, with no claim costs. They have had two property claims during the past five years. **Exhibit A-18** provides the districts property casualty loss experience for 2001–02 through 2005–06.

In 2002–03, the district had a property claim of $28,472 resulting from a fire in the boys' restroom. In 2005–06, the district experienced significant hurricane damage, incurring costs totaling $620,000.

EXHIBIT A-16
HIISD UNEMPLOYMENT COMPENSATION PROGRAM
1998–99 THROUGH 2004–05

YEAR	PAYROLL	CONTRIBUTION	CLAIM NUMBER	BENEFITS PAID
1998-99	$948,542	$3,002	5	$1,048
1999-2000	$1,391,494	$3,002	0	$0
2000-01	$1,449,487	$2,205	0	$0
2001-02	$1,408,071	$1,385	1	$1,376
2002-03	$1,341,067	$1,155	1	$328
2003-04	$1,280,130	$1,450	0	$0
2004-05*	$1,073,222	$1,231	0	$0

*2004-05 includes only 3 quarters.
SOURCE: Texas Association of School Boards Risk Management Fund Unemployment Compensation Annual Account Summary Report.

EXHIBIT A-17
HIISD PROPERTY AND CASUALTY COVERAGES
2005–06

INSURANCE/COVERAGE POLICY		POLICY PERIOD	COVERAGE LIMITS	DEDUCTIBLE	PREMIUM	COMPANY
Property -	Campus Buildings - Blanket Coverage	9/1/05 - 9/1/06	$9,283,704	$1,000	$60,609	TASB
Excludes Wind, Hurricane, and Hail Coverage	Teacherages - Stated Value Limit	9/1/05 - 9/1/06	$325,200	$1,000	$787	TASB
Property - Includes Wind, Hurricane and Hail Coverage	Campuses & Teacherages	9/1/05 - 9/1/06	$9,608,904	$25,000	Included in Property	TASB
General Liability		9/1/05 - 9/1/06	$1,000,000	$1,000	$950	TASB
Employee Benefits						
School Professional Legal Liability		9/1/05 - 9/1/06	$1,000,000/ $1,000,000	$1,000	$3,500	TASB
Fleet Liability		9/7/05 - 9/7/06	$100,000 @ person $300,000@ occurrence $100,000 @ property	$250	$4,210	TASB
Fleet - Physical Damage Comprehensive & Collision		9/1/05 - 9/1/06	Actual Cash Value	$250	$2,380	TASB
Mobile Equipment - Comprehensive & Collision		9/1/05 - 9/1/06	Actual Cash Value	$250	$394	TASB

SOURCE: HIISD Business office, November 2005.

EXHIBIT A-18
HIISD PROPERTY CASUALTY LOSS REPORT
2001–02 THROUGH 2005–06

	PROPERTY		GENERAL LIABILITY		AUTO LIABILITY		AUTO PHYSICAL DAMAGE		LEGAL LIABILITY	
PLAN YEAR	CLAIM NUMBER	CLAIM COST	CLAIM NUMBER	CLAIM COST	CLAIM NUMBER	CLAIM COST	CLAIM NUMBER	CLAIM COST	CLAIM NUMBER	CLAIM COST
2001-02	0	$0	0	$0	2	$3,834	1	$0	2	$0
2002-03	1	$28,472	0	$0	0	$0	0	$0	1	$0
2003-04	0	$0	0	$0	0	$0	0	$0	0	$0
2004-05	0	$0	0	$0	0	$0	0	$0	0	$0
2005-06	1	$620,000	0	$0	0	$0	0	$0	0	$0

SOURCE: Texas Association of School Boards, Inc. Property/Casualty Loss Reports, February 2006.

CHAPTER 4
OPERATIONS

FACILIITES MANAGEMENT AND ORGANIZATION

HIISD maintains approximately 83,627 square feet of facilities and 15 acres of land including football, softball, and baseball fields. The high school was constructed in 1949, with the addition of the gym in 1954. The science and homemaking wings, and the elementary school were added in 1962. The bus barn is a metal structure built in 1980. HIISD completed construction of the middle school in 2001, which includes a modern school kitchen and cafetorium. The science lab and library located in the high school have each undergone major renovation in the last few years.

MAINTENANCE AND CUSTODIAL OPERATIONS

Routine or immediate maintenance needs are often identified by staff, and reported either to the custodians and maintenance staff, or directly to the superintendent. Work requests are received verbally and on written work orders. Custodial and maintenance staff indicated there is no backlog of maintenance requests and they are able to complete their daily work as required.

Surveys among parents, students, and teachers indicated most feel the schools and buildings are adequately clean and maintained, though 36 percent of teachers disagreed with the statement, "Schools are clean". **Exhibit A-19** shows the survey results regarding maintenance of district facilities.

CUSTODIAL STAFFING

Exhibit A-20 shows the net square footage of facilities maintained by the district's custodial staff.

HIISD has 4 staff members designated to clean the 67,627 square feet of facilities, and 2 employees work 6:00AM to 2:30PM cleaning the elementary, middle, and senior high schools. This schedule allows two hours to clean empty facilities before the arrival of students and teachers. Two maintenance workers are responsible for weeding and mowing all the grounds, in addition to cleaning the field house, gymnasium and weight room, and science lab. These maintenance workers spend approximately two hours each day in custodial related tasks.

According to the June 2004 issue of School Planning and Management, there is no nationwide standard accurately describing standards of cleanliness. A five-tiered system of expectations is emerging to help guide the process of making custodial staffing decisions:

- Level 1 cleaning results in a "spotless" building, as might normally be found in a hospital environment or corporate suite. At this level, a custodian with proper supplies and tools can clean approximately 10,000 or 11,000 square feet in an 8-hour period;
- Level 2 cleaning is the uppermost standard for most school cleaning, and is generally reserved for restrooms, special education areas, kindergarten areas, or food service areas. A custodian can clean approximately 18,000 to 20,000 square feet in an 8-hour shift;
- Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose

EXHIBIT A-19
HIISD FACILITIES MAINTENANCE SURVEY RESPONSES
FEBRUARY 2006

RESPONDENT	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
SCHOOLS ARE CLEAN.					
Parents	6.0%	69.0%	9.0%	13.0%	3.0%
Students	8.0%	60.0%	29.0%	6.0%	0.0%
Teachers	9.0%	46.0%	9.0%	36.0%	0.0%
BUILDINGS ARE PROPERLY MAINTAINED IN A TIMELY MANNER.					
Parents	6.0%	50.0%	28.0%	9.0%	6.0%
Students	3.0%	66.0%	23.0%	3.0%	6.0%
Teachers	9.0%	46.0%	18.0%	18.0%	9.0%
REPAIRS ARE MADE IN A TIMELY MANNER.					
Parents	3.0%	47.0%	31.0%	13.0%	6.0%
Students	0.0%	46.0%	40.0%	11.0%	3.0%
Teachers	0.0%	56.0%	18.0%	18.0%	9.0%
EMERGENCY MAINTENANCE IS HANDLED PROMPTLY.					
Parents	3.0%	38.0%	44.0%	9.0%	6.0%
Students	0.0%	57.0%	31.0%	11.0%	0.0%
Teachers	9.0%	55.0%	18.0%	18.0%	0.0%

NOTE: Percentages may not add to 100 percent due to "rounding."
SOURCE: HIISD School Review Surveys, February 2006.

EXHIBIT A-20
HIISD FACILITIES SQUARE FOOTAGE MAINTAINED BY CUSTODIAL STAFF

BUILDING	SQUARE FOOTAGE	MAINTAINED BY CUSTODIAL STAFF
Main Building/High School	25,373	25,373
Middle School	15,823	7,823
Gymnasium	18,731	18,731
Dressing Rooms	2,268	2,268
Science/Homemaking	3,137	3,137
Elementary School	6,975	6,975
Agriculture Shop	3,320	3,320
Maintenance Shop	3,000	0
Bus Barn	5,000	0
TOTAL SQUARE FOOTAGE	**83,627**	**67,627**

NOTE: Estimate of 8,000 square feet for the cafeteria/kitchen deducted from middle school in figuring the square footage maintained by district custodial staff.
SOURCE: HIISD superintendent's office, April 2006.

any health issues. A custodian can clean approximately 28,000 to 31,000 square feet in an 8-hour shift;

- Level 4 cleaning is not normally acceptable in a school environment. Classrooms would be cleaned every other day, carpets would be vacuumed every third day, and dusting would occur once a month. At this level, a custodian can clean 45,000 to 50,000 square feet in an 8-hour shift; and
- Level 5 cleaning can very rapidly lead to an unhealthy situation. Trash cans might be emptied and carpets vacuumed on a weekly basis. One custodian can clean 85,000 to 90,000 square feet in an 8-hour shift.

Exhibit A-21 compares HIISD's custodial staffing to the industry standard of 28,000 square feet per custodian assuming level 3 cleaning methods. The analysis indicates the district is adequately staffed with custodial staff.

FOOD SERVICE OPERATIONS

The HIISD Food Service department consists of a manager/cook supported by 2 full-time cooks and a full-time dishwasher/cook in the cafeteria, serving an average of 64 breakfasts and 131 lunches each day to students in grades K–12. Food Service staff absenteeism is not a problem , but the department does have a sufficient pool of reliable substitutes in the event of employee absence.

All Food Service staff work from 5:30AM to 1:30PM. Mornings are spent preparing breakfasts, a la carte, and make-ahead lunch items. Meals are served using disposable items such as single-use cups and plastic ware, but trays, pots, and pans must be washed. Cafeteria staff shares the responsibility of cleaning the kitchen and cafeteria after all meals have been served.

FEDERAL BREAKFAST AND LUNCH PROGRAMS

HIISD participates in the School Breakfast Program and the National School Lunch Program . These programs make it possible for all students to receive nutritious meals each school day. Participating districts must offer free and reduced-price meals, and serve lunches meeting federal guidelines for nutritional value. Reimbursable meals must provide no more than 30 percent of calories from fat, and less than 10 percent of calories from saturated fat. HIISD receives cash subsidies and donated commodities from the United States Department of Agriculture for each eligible meal served.

EXHIBIT A-21
ANALYSIS OF HIISD CUSTODIAL STAFFING LEVELS

TOTAL SQUARE FEET	FULL-TIME CUSTODIAL STAFF	SQUARE FEET PER CUSTODIAN	STAFFING REQUIRED AT INDUSTRY STANDARD (28,000 SQUARE FEET)	OVER/(UNDER) INDUSTRY STANDARD
67,627	2.5	27,051	2.41	0.09

SOURCE: HIISD maintenance staff, April 2006.

In 2004–05, 57 percent of the Food Service department's revenue consisted of federal reimbursement funds. Local revenues such as student and staff payment for meals, and a la carte sales, accounted for approximately 42.1 percent of the department's total revenue. **Exhibit A-22** summarizes HIISD's food service revenues per student over a 4-year period. The department's overall revenues decreased 19.8 percent since 2001–02. As the district's enrollment has declined, its food service revenue per student has dropped proportionately. The state contributes less than 1 percent of the district's total food service revenues and federal revenues have decreased 28.7 percent since 2001–02.

NUTRITION EDUCATION

The Food Service manager has begun developing a wellness policy involving a committee of parents, students, and school staff in determining ways of providing nutrition education in HIISD schools. Federal public law (PL 108.265 Section 204) states that by the 1st day of the 2006–07 school year all schools must develop a local wellness policy promoting awareness of a healthy environment, and encouraging daily participation in physical activity to establish a healthy lifestyle. The Food Service manager said the Coordinated Approach to Child Health (CATCH) curriculum will be used starting in 2006–07 to support nutrition education. The CATCH curriculum is a program approved by TEA to promote physical activity, healthy food choices, and prevent tobacco use in elementary aged children.

FOOD SERVICE PURCHASING

HIISD participates with 28 other districts in a purchasing cooperative through the Region 5 to obtain the benefits and efficiencies of large-scale purchasing and lower prices. Region 5 solicits bids on behalf of participating districts to comply with state bidding requirements and to identify qualified vendors for commodities, goods, and services. This system provides quality food items and supplies in the right quantities, in a timely and cost-effective manner. The purchasing cooperative provides the district with systematic procedures for procuring goods, as well as economic benefits through bulk purchasing and price/bid solicitation.

HIISD does not have a warehouse to store bulk items, but the cafeteria has adequate pantry and freezer storage. The Food Service manager coordinates with Region 5 for the just-in-time delivery of items, eliminating the need to warehouse large quantities of food and supplies.

The Food Service manager also said HIISD receives an average of 10 loaves of bread each week donated from the High Island Food Mart.

TRANSPORTATION OPERATIONS

The transportation function is overseen by the HIISD superintendent and consists of one part-time employee that drives the special education route, and four regular bus drivers who also serve the district in other capacities. Two drivers are teachers and two drivers work in maintenance. The district owns a fleet of seven school buses, three passenger vans, two pick-up trucks, one car, and three trailers. In 2005–06, HIISD operated 1 special education and 4 regular education routes per day.

HIISD's average annual mileage in 2004–05 totaled 44,316 miles for regular program routes carrying 178 students. For the same period, the district's total transportation operating costs were $132,894 for the regular education program, and $11,419 for the special education program. HIISD reported 38,195 miles for extracurricular activities in 2004–05. **Exhibit A-23** shows the transportation services annual expenses for

EXHIBIT A-22
HIISD FOOD SERVICE REVENUES
2001–02 THROUGH 2004–05

REVENUE SOURCE	2001–02	2002–03	2003–04	2004–05	PERCENTAGE INCREASE/(DECREASE) 2001–02 TO 2004–05
Local	$38,223	$38,868	$49,968	$36,014	(5.8%)
State	0	970	806	738	(23.9%)
Federal	68,481	54,021	55,825	48,817	(28.7%)
TOTAL	**$106,704**	**$93,859**	**$106,599**	**$85,569**	**(19.8%)**
Number of Students	279	256	266	250	(10.4%)
Revenue per student	$382	$367	$401	$342	(10.5%)

NOTE: Change in state revenues calculated from 2002-03.
SOURCE: HIISD Audited Financial Reports 2001-02 through 2004-05.

EXHIBIT A-23
HIISD TRANSPORTATION EXPENSES – REGULAR ROUTES
2002–03 THROUGH 2004–05

CATEGORY	2002–03	2003–04	2004–05	PERCENTAGE INCREASE/(DECREASE)
Salaries and Benefits	$78,061	$69,012	$64,257	(17.7%)
Purchased and Contracted Services	3,916	8,636	10,728	174.0%
Supplies and Materials	22,918	27,823	27,968	22.0%
Depreciation/Other Operating Expenses	10,234	25,519	27,641	170.0%
Debt Service	6,617	0	2,300	(65.2)%
TOTAL	**$121,746**	**$130,990**	**$132,894**	**(9.2%)**

SOURCE: Texas Education Agency, Transportation Operation Reports (TOR), 2002-03 through 2004-05.

the regular routes from 2002–03 through 2004–05. While salaries and benefits decreased 17.7 percent, HIISD's total transportation expenses increased 9.2 percent, and its costs for contracted services increased 174 percent since 2002–03. The finance officer indicated the majority of contracted services in 2004–05 consisted of repairs to the district's 1999 Bluebird bus.

STUDENT RIDERSHIP

HIISD transports approximately 87 students from outlying communities including Gilchrist, Crystal Beach, and Port Bolivar, which are approximately 8, 18, and 28 miles from High Island, respectively. Transportation of these students is provided at no cost. The superintendent said the district tried to charge transportation fees in the past, but the collection of the fees was cost prohibitive. The superintendent also said the transportation costs are covered by additional attendance funds received for these students. He believes this practice is necessary to supplement the district's declining enrollment, and feels the additional students would not attend if they were charged bus transportation fees.

Annual ridership at HIISD has increased with the transportation of out-of-district students. Between 2002–03 and 2004–05, HIISD gained 33 students, or 22.8 percent, of its ridership. Three of the four peer districts have experienced large declines in annual ridership while Vega ISD (VISD) has remained stable. As shown in **Exhibit A-24**, HIISD has experienced an increase in the number of students transported on district buses.

LINEAR DENSITY AND STATE FUNDING

The state reimburses HIISD for qualifying expenses based on linear density for the regular education program. Linear density is the ratio of the average number of students carried daily on regular education routes to the number of miles driven on those routes. TEA uses this ratio to assign districts to one of seven linear density groupings. HIISD's 2004–05 linear density reimbursement of $0.88 per mile is based on the district's ratio for the preceding school year. For special education program miles, a district's assigned allotment rate is determined on the basis of its cost per mile in the preceding school year, not to exceed a maximum rate of $1.08 per mile.

EXHIBIT A-24
ANNUAL RIDERSHIP – REGULAR EDUCATION PROGRAM
HIISD AND PEER DISTRICTS
2002–03 THROUGH 2004–05

DISTRICT	2002–03	2003–04	2004–05	PERCENTAGE INCREASE/(DECREASE)
HIGH ISLAND ISD	**145**	**181**	**178**	**22.8%**
Chester ISD	125	89	71	(43.2%)
Silverton ISD	30	31	17	(43.3%)
Vega ISD	54	49	54	0.0%
Whitharral ISD	28	23	13	(53.6%)

SOURCE: Texas Education Agency, TOR 2002-03 through 2004-05.

Exhibit A-25 summarizes the linear density groups and respective per-mile allotment.

EXHIBIT A-25
LINEAR DENSITY GROUPS
MAY 2005

LINEAR DENSITY GROUPING	ALLOTMENT PER MILE OF APPROVED ROUTE
2.40 or above	$1.43
1.65 to 2.40	$1.25
1.15 to 1.65	$1.11
0.90 to 1.15	$0.97
0.65 to 0.90	$0.88
0.40 to 0.65	$0.79
Up to 0.40	$0.68

SOURCE: Texas Education Agency, Handbook on School Transportation Allotments, revised May 2005.

The HIISD superintendent approves the transportation service's operation data, and the finance officer enters the information into TEA's web-based Foundation School Program each year. **Exhibit A-26** shows the district's average cost per mile compared to the reimbursement received from 2002–03 through 2004–05. As shown, the district's costs per mile exceed the reimbursement received from the state in each year.

EXHIBIT A-26
HIISD TRANSPORTATION COST PER MILE
2002–03 THROUGH 2004–05

YEAR	STATE ALLOTMENT	DISTRICT COST PER MILE
2002-03	$0.86	$1.10
2003-04	$0.88	$0.90
2004-05	$0.88	$1.26

SOURCE: Texas Education Agency, TOR 2002-03 through 2004-05.

CHAPTER 5
COMPUTERS AND TECHNOLOGY

TECHNOLOGY ORGANIZATION AND BUDGETS

HIISD information technology services are provided by a single staff member, the technology coordinator. In addition to duties as the technology coordinator, this employee also serves as the librarian, textbook coordinator, and teacher. The technology coordinator reports to the district superintendent.

The technology coordinator estimates that 80 percent of his total duties are technology-related. Software and hardware maintenance comprise 65 percent of technology duties, with staff training at 10 percent and web design and updates at 5 percent.

The district PEIMS coordinator is responsible for gathering and reporting HIISD's required PEIMS data submission to TEA. The PEIMS coordinator's duties include: reporting attendance, maintaining grades, producing report cards, and running the district first aid clinic.

Exhibit A-27 compares HIISD per student technology expenditures to its peer districts. HIISD had the second highest expenditure per student at $173.98 behind Chester ISD, and above the statewide average of $95.21 per student.

Exhibit A-28 lists technology expenditures from 1999–2000 through 2003–04. HIISD's technology budget has fluctuated over the five-year period from a high of $62,143 in 2002–03, to a low of $46,280 in 2003–04. Per student expenditures ranged from $164.61 in 1999–2000, to $173.98 in 2003–04.

Texas school districts have several opportunities to enhance technology programs with state and federal funding. The E-Rate program provides discounts for purchases of eligible telecommunications infrastructure and access. The federal NCLB funds technology enhancements under Title II, Part D of the Act. The state of Texas provides a technology allotment to districts based on the number of students and their average daily attendance.

HIISD secured additional funds through these programs to improve its technology and telecommunications infrastructure. **Exhibit A-29** shows HIISD's grant and E-Rate funding for the three-year period from 2003–04 through 2005–06.

HIISD uses the Texas School Technology and Readiness (STaR) chart to track its progress toward meeting technology integration standards. TEA's Educational Technology Advisory Committee developed the chart as an online resource tool for self-assessment of a district's efforts to effectively integrate technology across its curriculum. Districts can use the STaR Chart for technology planning, budgeting for resources, and evaluating progress in local technology projects.

The STaR Chart includes a Campus Analysis of School Technology and Readiness form. Together the chart and form map the district's status in meeting state Long-Range Plan for Technology, 1996–2010 (LRPT) goals. The LRPT

EXHIBIT A-27
COMPARISION OF TECHNOLOGY EXPENDITURES
HIISD AND PEER DISTRICTS
2003–04

DISTRICT	EXPENDITURES	STUDENT MEMBERSHIP	PER STUDENT EXPENDITURE
Chester ISD	$34,196	168	$203.55
HIGH ISLAND ISD	**$46,280**	**266**	**$173.98**
Vega ISD	$13,523	296	$45.69
Silverton ISD	$2,339	234	$10.00
Whitharral ISD	$0.00	202	$0.00
State of Texas	$410,466,374	4,310,955	$95.21

SOURCE: Texas Education Agency, PEIMS 2003-04.

EXHIBIT A-28
HIISD TECHNOLOGY ACTUAL EXPENDITURES
1999–2000 THROUGH 2003–04

YEAR	EXPENDITURES	STUDENT MEMBERSHIP	PER STUDENT EXPENDITURE
2003-04	$46,280	266	$173.98
2002-03	$62,143	256	$242.75
2001-02	$54,667	279	$195.94
2000-01	$55,988	278	$201.40
1999-2000	$48,066	292	$164.61

SOURCE: Texas Education Agency, PEIMS 1999-2000 through 2003-04.

EXHIBIT A-29
HIISD TECHNOLOGY GRANTS AND E-RATE FUNDING
2003–04 THROUGH 2005–06

YEAR	2003–04	2004–05	2005–06
Technology Allotment	$7,837	$7,053	$5,763
Title II, Part D (Enhancing Technology)	$979	$946	$609
E-Rate	$12,103	$11,993	$9,905
TOTALS	**$20,919**	**$19,992**	**$16,277**

SOURCES: The Universal Service Administrative Company funding reports 2003-05 found at www.sl.universalservice.org/funding; Texas Education Agency, AEIS, Summary of Finances, 2003-04 through 2005-06; TEA, Expenditure Reports 2003-04 through 2005-06.

recognizes four strategic areas: Early Technology, Developing Technology, Advanced Technology, or Target Technology. The key area headings include a range of acceptable scores that assists in interpretation of the results.

In Key Area I, Developing Technology is defined in part as "instruction is teacher-directed and students regularly use technology on an individual basis to access electronic information and develop communication and presentation projects." In Key Area II, Advanced Technology is defined in part as "integration of technology into teaching and learning. There is use of online resources regularly, and 60 percent of educators meet State Board for Educator Certification standards. Administrators recognize and identify exemplary use of technology." In Key Area III, Developing Technology is defined in part as "Campus plan aligns with Long-Range Plan for Technology. Teachers and administrators have vision for technology. There is 1 technical support staff to 750 computers. There is a full time district technology director." Key Area IV, Advanced Technology is defined as "4 or less students per computer. There is direct connectivity to Internet in 75 percent of classrooms and library. Web-based learning is available. All rooms are on LAN/WAN. There is one educator per computer. There is shared use of other resources."

Exhibit A-30 summarizes HIISD's STaR results for 2004–05. The district's self-evaluation is that HIISD is in the Developing Technology Stage of readiness for two areas: teaching and learning, and administration and support, and in the Advanced Technology stage of readiness for educator preparation, and development, and infrastructure for technology areas.

EXHIBIT A-30
HIISD TEXAS STAR CHART RESULTS
2004–05

KEY AREA I: TEACHING AND LEARNING RATING: DEVELOPING TECHNOLOGY (TOTAL SCORE OF 9-14)						
TEACHER ROLE AND COLLABORATIVE LEARNING	PATTERNS OF TEACHER USE	FREQUENCY /DESIGN OF INSTRUCTION	CURRICULUM AREAS	TECHNOLOGY APPLICATION TEKS ASSESSMENT	PATTERNS OF STUDENT USE	SCORE*
2	3	3	3	2	2	14*
KEY AREA II: EDUCATOR PREPARATION AND DEVELOPMENT RATING: ADVANCED TECHNOLOGY (TOTAL SCORE OF 15–20)						
CONTENT OF TRAINING	CAPABILITIES OF EDUCATORS	LEADERSHIP CAPABILITIES OF ADMINISTRATORS	MODELS OF PROFESSIONAL DEVELOPMENT	UNDERSTANDING AND PATTERNS OF USE	TECHNOLOGY BUDGET	SCORE
2	3	3	3	2	2	16
KEY AREA III: ADMINISTRATION AND SUPPORT RATING: DEVELOPING TECHNOLOGY (TOTAL SCORE OF 9–14)						
VISION AND PLANNING	TECHNICAL SUPPORT	INSTRUCTION AND ADMINISTRATIVE STAFFING	BUDGET	FUNDING		SCORE
3	3	2	2	3		13
KEY AREA IV: INFRASTRUCTURE FOR TECHNOLOGY RATING: ADVANCED TECHNOLOGY (TOTAL SCORE OF 15–20)						
STUDENTS PER COMPUTER	INTERNET ACCESS CONNECTIVITY/ SPEED	DISTANCE LEARNING	LAN/WAN	OTHER TECHNOLOGIES		SCORE
3	4	3	3	3		15*

*Scores may not sum to the total score due to rounding.
SOURCE: HIISD Texas STaR Chart 2004-05.

HARDWARE AND SOFTWARE

HIISD uses specialized instructional and administrative software in its operations. The district maintains four network servers. One server is dedicated to the financial software application, while the remaining three servers host all other software applications. **Exhibit A-31** identifies the software used by the district.

Region 5 hosts the district's website. In addition to website hosting, Region 5 provides network support, repair services, and technology training.

EXHIBIT A-31
HIISD SPECIALIZED SOFTWARE
2005–06

SOFTWARE NAME	TYPE	USE
RSCCC	Administrative	System to track district financial, personnel, and procurement information.
RSCCC	Administrative	Student management system to track and report student demographic, attendance, discipline, and grade information for PEIMS reporting.
Star Reader	Instructional	Assessment tool for literacy skills (elementary school).
Ed Mark	Instructional	Special education instructional program.
Accelerated Reader	Instructional	Reading (elementary, middle school) instructional program.
Mavis Bacon	Instructional	Keyboarding skills (elementary, middle school) instructional program.

SOURCE: HIISD technology coordinator, April 2006.

CHAPTER 6
SAFETY AND SECURITY

STUDENT CODE OF CONDUCT

HIISD adopted board Policy FO (LEGAL) and (LOCAL) that provides general guidelines for discipline management, and a student code of conduct that establishes standards for student behavior, and complies with the provisions of the TEC Chapter 37. HIISD's board Policy FN (LOCAL) states the superintendent or designee shall develop a student handbook, to be distributed at the beginning of the school year to students, parents, teachers, and administrators. The student handbook is adopted by the board and contains the student code of conduct.

HIISD's student code of conduct provides specific student conduct rules, and identifies sanctions against student misconduct. The student handbook is distributed to parents and students at the beginning of the school year. One teacher said that the student council does a skit at the beginning of the year portraying information in the student handbook and student code of conduct.

ATTENDANCE

HIISD has implemented an attendance program to address truancy. The board has adopted Policies FEA (LEGAL) and (LOCAL) that incorporates the compulsory attendance laws, and outlines the levels of notification to parents regarding student absences. The attendance law, TEC §25.085, Compulsory School Attendance, provides the district with the basis for the attendance policy as stated below:

- a child who is required to attend school under this section shall attend school each day for the entire period the program of instruction is provided; and
- Unless specifically exempted by TEC §25.086, a child who is at least [six] years of age, or who is younger than six years of age and has previously been enrolled in first grade, and who has not completed the academic year in which the child's 18th birthday occurred, should attend school.
- Board Policy FED (LOCAL) states the board may select a school attendance officer. If no attendance officer has been selected, the superintendent shall perform the duties of the attendance officer, but no additional compensation shall be paid for the services. The HIISD superintendent is the district's attendance officer and is assisted by the in-school-suspension (ISS)/alternative education program (AEP) coordinator, in enforcing the attendance laws.

The district's attendance rates for the high school, middle school and elementary school are provided in **Exhibit A-32** for school years from 1999–2000 through 2004–05.

The high school campus had the lowest attendance rate for all three campuses each year. **Exhibit A-33** compares HIISD's attendance rates to its peer districts and the state.

HIISD's overall average attendance rate for 5 years was 95 percent. When compared to its peer districts and state average, HIISD had the lowest attendance rate.

HIISD has addressed low attendance in each of its 2005–06 CIPs, with an overall district goal to "Increase attendance through parent and community involvement." **Exhibit A-34** provides the long-range goal, annual campus performance objective, and activities for addressing the district's attendance goal by campus.

In 2005–06, the ISS/AEP coordinator assumed responsibilities for monitoring attendance, and making the initial contact to parents regarding student absences. The coordinator receives a list of student absences each day and places a call to each parent to identify the reason for the absence. The coordinator maintains a log of daily telephone calls, and documents the conversation with the parent or the message left for the parent. The ISS/AEP coordinator continues to monitor chronic absences through weekly

EXHIBIT A-32
HIISD ATTENDANCE
1999–2000 THROUGH 2004–05

SCHOOL YEAR	1999–2000	2000–01	2001–02	2002–03	2003–04
High Island High School	95.3%	95.4%	95.6%	95.8%	95.8%
High Island Middle School	96.0%	96.1%	96.2%	96.0%	96.3%
High Island Elementary School	96.8%	96.6%	96.6%	96.3%	96.7%
District Total	94.8%	94.8%	95.3%	94.8%	95.2%

SOURCE: Texas Education Agency, AEIS, 2001-02 through 2004-05.

EXHIBIT A-33
COMPARISTION OF ATTENDANCE PERCENTAGES
1999–2000 THROUGH 2003–04

SCHOOL YEAR	1999–2000	2000–01	2001–02	2002–03	2003–04	5 YEAR AVERAGE
Vega ISD	97.0%	97.1%	97.7%	96.9%	97.4%	97.2%
Whitharral ISD	96.3%	96.0%	96.7%	97.1%	96.7%	96.6%
Silverton ISD	96.7%	96.9%	96.1%	96.1%	96.3%	96.4%
Chester ISD	96.6%	95.9%	96.1%	95.2%	96.3%	96.0%
HIGH ISLAND ISD	**94.8%**	**94.8%**	**95.3%**	**94.8%**	**95.2%**	**95.0%**
STATE ISD	**95.6%**	**95.5%**	**95.6%**	**95.6%**	**95.7%**	**95.6%**

SOURCE: Texas Education Agency, AEIS, 2001-02 through 2004-05.

EXHIBIT A-34
HIISD CAMPUS IMPROVEMENT PLANS
DISTRICT GOAL – ATTENDANCE
2005–06

CAMPUS	GOAL	PERFORMANCE OBJECTIVE	INITIATIVES/STRATEGIES/ACTIVITIES
High School	Increase attendance through parent and community involvement.	The students' attendance rate will increase from 95% to 96%, will be maintained or improved annually, and will impact student performance.	1. Implement and enforce student attendance policy in student handbook. 2. Explain attendance at PTO meeting, in a letter to parents, and follow up with a call home when the student is absent. 3. Provide incentive for perfect attendance: pizza parties, certificates, field trips, exemption from semester exams. 4. Allow students to make up missed days during Saturday School.
Middle School	Increase attendance through parent and community involvement.	The students' attendance rate will increase from 96% to 97%, will be maintained or improved annually, and will impact student performance.	1. Implement and enforce student attendance policy in student handbook. 2. Make parents aware of importance of attendance at all P.T.O. meetings. 3. Send letter to parents about attendance and a call home will be made when a student is absent. 4. Provide incentive for perfect attendance: pizza parties, certificates, field trips, and so forth.
Elementary School	Increase attendance through parent and community involvement.	The students' attendance rate will increase from 95% to 96% and will be maintained or improved annually.	1. Implement and enforce student attendance policy in student handbook. 2. Make parents aware of importance of attendance at all P.T.O. meeting. 3. Send letter to parents about attendance and a call home when a student is absent. 4. Provide incentives for perfect attendance: pizza party, coupons for ice cream, burgers, fries, etc., and field trips.

SOURCE: HIISD campus improvement plans, 2005-06.

computer printouts received from the PEIMS coordinator, and discusses future action with the superintendent. Letters are sent to the parents in the event of chronic absences. The first letter informs the parent of the compulsory attendance law and the number of student absences to date. A second letter is sent if absences continue, notifying the parent that the student may be in "imminent violation of the Compulsory Attendance Law, TEC §25,094" and the possible action resulting from any violation. Students are provided a copy of the letter, and both parents and students are requested to sign the letter acknowledging receipt. The superintendent said they have two options available in working with students

who have excessive absences. They can either deny them credit for their classes, or assign the student to Saturday school to make up days. The superintendent said they filed very few truancy reports with the court in 2004–05, and none during 2005–06. Teachers interviewed said that the absentee problem has improved this year since the ISS/AEP coordinator is monitoring absences and contacting parents.

JUVENILE JUSTICE ALTERNATIVE EDUCATION PROGRAM

HIISD entered into a memorandum of understanding (MOU) with Galveston County Juvenile Justice Alternative Education Program (GCJJAEP) for 2004–05, but could not provide documentation of the MOU with the GCJJAEP for 2005–06 during the February 2006 on-site review. TEC Chapter 37 requires the Galveston County Juvenile Board (GCJB) to establish and operate a Juvenile Justice Alternative Education Program (JJAEP) for students who are expelled from school for the offenses described in TEC §37.007. The goals of the JJAEP are:

- to provide a continuum of educational services to students;
- to establish consistency, predictability, and appropriateness of student placement following expulsions from regular schools or alternative education programs;
- to return students to a regular school setting when appropriate;
- to impress upon youth that there are progressive sanctions for misconduct in the public school setting; and
- to provide educational options for the juvenile courts.

As a district in a county with a population greater than 125,000, HIISD is required by TEC 37.011 to participate in the GCJJAEP.

Dickenson Independent School District (DISD) is designated as the campus site for the GCJJAEP, serves as the Fiscal Agent of the Juvenile Board and each participating district, and provides the administration of the education program of the campus on a daily basis.

GCJJAEP eligibility for HIISD students is based on either mandatory or discretionary expulsions. If JJAEP placement is mandatory, JJAEP funding is provided to GCJB by the Texas Juvenile Probation Commission. The district is responsible for reimbursing the Fiscal Agent for discretionary placement students in the GCJJAEP. The MOU outlines the funding parameters for the JJAEP, and the participating districts' responsibilities. As the Fiscal Agent, DISD prepares an annual budget for operation and maintenance costs anticipated for educational services and invoices each participating district. Each district pays its projected annual fixed costs in advance (to maintain access to the program, after September 1 of the fiscal year), with the balance of projected/actual costs to be paid in installments beginning January, as invoiced. In addition, each district reimburses an amount determined by pro-rata participation of discretionary students. If assignments to the JJAEP cause expenses to be higher than projected prior to the year, participating districts are required to assume their pro-rata share of the increased costs above projections. HIISD paid $964.69 to GCJJAEP in 2004–05, and $1,090.70 in 2005–06.

The location of the GCJJAEP presents a transportation problem for HIISD. It takes students two hours to travel to DISD from HIISD. Since HIISD is located on a peninsula across the bay from the City of Galveston, parents are required take their children across the bay on the ferry boat, where the student can be picked up by bus. The superintendent said Jefferson County JJAEP is closer to HIISD, but the Jefferson County JJAEP participation fee is more expensive than the GCJJAEP.

SAFE AND DRUG-FREE SCHOOLS

The Drug-Free Schools and Communities Act (DFSCA) was passed in 1986 to expand and strengthen drug and alcohol abuse education and prevention programs in communities through out the U.S. In 1994, the reauthorization of the DFSCA added violence prevention as a key component of the program, and changed the title to Safe and Drug-Free Schools and Communities Act of 1994 (SDFSCA). The purpose of the SDFSCA is to encourage safe and drug-free learning environments promoting student academic achievement by supporting programs that:

- prevent violence in and around schools;
- prevent the illegal use of alcohol, tobacco, and drugs;
- involve parents and communities; and
- are coordinated with related federal, state, school and community efforts and resources to foster a safe and drug-free learning environment.

SDFSCA funds must be used to adopt and carry out a comprehensive drug and violence program designed for all students and employees.

Exhibit A-35 provides the type of incidents reported on HIISD's TEA DFSCA Evaluation Reports for 2002–03 through 2004–05.

According to the TEA DFSCA Evaluation reports, the number of incidents reported in middle school and high school has increased over the past three years.

The HIISD counselor/curriculum director is responsible for the SDFSCA activities in the district. District staff did not provide the review team with any information regarding specific SDFSCA activities implemented during 2005–06. The 2005–06 CIPs includes the district goal, "Create a safe environment where all students have an equal opportunity to succeed through an integrated curriculum." The individual campus plans included the following goals, objective, and strategies shown in **Exhibit A-36**.

The counselor/curriculum director provided the review team with Region 5 *Safe and Drug-Free Schools/Communities Planning Guide* for 2005–06. The review team did not receive evidence that HIISD is participating in any drug prevention programs such as Drug Abuse Resistance Education, commonly known as DARE. The superintendent said the district contracts for a canine drug force to periodically inspect the campus.

BUILDING SECURITY

HIISD has adopted board Policy FFF (LOCAL), Student Welfare: Student Safety, as a foundation for a student safety program. The policy states "the district will attempt to ensure student safety through the supervision of students in all school buildings, at all school-sponsored events or activities, and on all school grounds through special attention to the following:

- maintaining a reasonably safe school environment;
- observing safe practices in those areas of instruction or extracurricular activities that off special hazards;
- emphasizing safety education to students enrolled in laboratory courses in science, industrial arts, health, and physical education;
- providing first aid for students in case of accident or sudden illness;
- annually reviewing the adequacy of emergency procedures at each campus in the district and providing for staff training in such procedures; and
- implementing appropriate crisis management procedures when emergencies occur.

Although the district has not adopted a formal closed campus policy, it requires students to check out through the office prior to leaving campus. This regulation is stated in the 2005–06 *Parent/Student Handbook* as follows:

> To leave campus, a student must check-out through the office. For illness or emergency, the student's parent/guardian or someone on the student's card will be telephoned and permission granted before the student will be allowed to leave. If no one can be reached by telephone, the student will return to class. It can be simply stated that any student who arrives after class has started or needs to leave before class has ended will be required to report

EXHIBIT A-35
HIISD INCIDENTS REPORTED FOR HIGH SCHOOL AND MIDDLE SCHOOL DRUG-FREE SCHOOLS AND COMMUNITIES ACT EVALUATION
2002–03 THROUGH 2004-05

YEAR	TYPE OF INCIDENT REPORTED
2002-03	Assaults against students
2003-04	Students referred for disciplinary action related to possession, sale, or use of tobacco, alcohol, and other drugs
	Out of school suspensions
	Assaults against students
	Acts of vandalism/criminal mischief against school property (greater than $200)
2004-05	Students referred for disciplinary action related to possession, sale, or use of tobacco, alcohol, and other drugs
	Students placed in alternative education programs because of disciplinary reasons
	Out of school suspensions related to possession, sale, or use of tobacco, alcohol, and other drugs
	Out of school suspensions

SOURCE: Texas Education Agency, DFSCA Evaluation Reports, 2002-03 through 2004-05.

> to the office. Any student who leaves campus is in violation of this policy and will be subject to disciplinary action.

The district has a visitor policy in both the *Parent/Student Handbook* and the *Employee Handbook*. *The Parent/Student Handbook* states:

> The regular school day is work time for our regular students and visitors distract from their work; therefore, no visitors will be permitted during the school day, except during Public School Week or special occasions. Parents who wish to see a teacher must make an appointment with the teacher or through the office. Parents wishing to see their children should check in the office first.

The HIISD *Employee Handbook* states "All visitors are expected to enter any district facility through the main entrance and sign in or report to the building's main office. Authorized visitors will receive directions or be escorted to their destination. Employees who observe an unauthorized individual on the district premises should immediately direct him or her to the building office or contact the administrator in charge." In general, maintenance/custodial staff were not aware of any safety procedures or any plan for handling a stranger entering the building.

EXHIBIT A-36
HIISD CAMPUS IMPROVEMENT PLANS
DISTRICT GOAL – ATTENDANCE
2005–06

CAMPUS	GOAL	PERFORMANCE OBJECTIVE	INITIATIVES/STRATEGIES/ACTIVITIES
High School	Create a safe environment where all students have an equal opportunity to succeed through an integrated curriculum.	The students will be provided a safe and drug free environment.	1. Provide and implement a safe and drug free curriculum including staff development to increase staff's awareness of drug use in today's society. 2. Increase student and parent awareness by celebrating, "Red Ribbon Week." 3. Implement and practice safety drills. Implement a Crisis Management Plan. 4. Provide visits by the "Canine Force."
		The number of discipline referrals will decrease by 20% over last year's number, resulting in more time spent on instruction of TEKS,	1. Implement a consistent behavior plan that will result in positive behavior changes. 2. Teachers will post rules and Declaration of Student's Rights in each classroom. 3. Staff members enforce school, classroom, and bus rules consistently each day. 4. In School Suspension provided for students who choose not to follow rules.
Middle School	Create a safe environment where all students have an equal opportunity to succeed through an integrated curriculum.	The students will be provided a safe and drug free environment.	1. Provide and implement a safe and drug free curriculum including staff development to increase staff's awareness of drug use in today's society. 2. Increase student and parent awareness by celebrating, "Red Ribbon Week." 3. Implement school safety during time of crisis to protect school from outside danger; complete crisis management plan. 4. Monthly guidance lessons for grades 6-8 to promote a safe and drug free environment.
		The number of discipline referrals will decrease by 10% over last year's number, resulting in more time spent on instruction of TEKS,	1. Implement a consistent behavior plan that will result in positive behavior changes. 2. Teachers will post rules and Declaration of Student's Rights in each classroom. 3. Staff members enforce school, classroom, and bus rules consistently each day. 4. Weekly guidance lessons in the classroom need to address: self confidence, motivation, decision making and responsible behavior.

(continued on next page)

EXHIBIT A-36 (CONTINUED)
HIISD CAMPUS IMPROVEMENT PLANS
DISTRICT GOAL – ATTENDANCE
2005–06

CAMPUS	GOAL	PERFORMANCE OBJECTIVE	INITIATIVES/STRATEGIES/ACTIVITIES
Elementary School	Create a safe environment where all students have an equal opportunity to succeed through an integrated curriculum.	The students' attendance rate will increase from 95% to 96% and will be maintained or improved annually.	1. Implement a consistent behavior plan that will result in positive behavior changes. 2. Teachers will post rules and Declaration of Student's Rights in each classroom and send a copy of classroom rules home to parents. 3. Staff members enforce school, classroom, and bus rules consistently each day. 4. Weekly guidance lessons in classroom: self confidence, motivation, decision making, problem solving, social skills, and responsible behavior.

SOURCE: HIISD campus improvement plans, 2005-06.

TEACHER SURVEY

(N = 11)

Note: Totals may not add to 100% due to rounding.

A. DISTRICT ORGANIZATION AND MANAGEMENT

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
1.	School board members listen to the opinions and desires of others.	9%	55%	27%	9%	0%
2.	School board members understand their role as policymakers and stay out of the day to day management of the district.	36%	36%	18%	9%	0%
3.	School board members work well with the superintendent.	9%	56%	27%	9%	0%
4.	The school board has a good image in the community.	9%	82%	0%	9%	0%
5.	The superintendent is a respected and effective instructional leader.	9%	27%	27%	27%	9%
6.	The superintendent is a respected and effective business manager.	0%	46%	18%	18%	18%
7.	Central administration is efficient.	18%	56%	9%	9%	9%
8.	Central administration supports the educational process.	18%	64%	0%	18%	0%
9.	The morale of central administration staff is good.	9%	64%	18%	9%	0%
10.	The district organization chart promotes efficiency and accountability at all levels with the organization.	0%	36%	18%	36%	9%
11.	Site-based decision making is supported by board and superintendent actions.	9%	27%	27%	27%	9%
12.	The district and campus improvement plans are highly effective in bringing about needed changes.	9%	56%	9%	18%	9%

B. EDUCATIONAL SERVICE DELIVERY

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
13.	Education is the main priority in our school district.	36%	54%	0%	9%	0%
14.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	27%	64%	0%	9%	0%
15.	The needs of the college-bound student are being met.	36%	56%	0%	0%	9%
16.	The needs of the work-bound student are being met.	9%	73%	9%	9%	0%
17.	The district provides curriculum guides for all grades and subjects.	64%	36%	0%	0%	0%
18.	The curriculum guides are appropriately aligned and coordinated to the TEKS and TAKS.	54%	46%	0%	0%	0%
19.	The district's curriculum guides clearly outline what to teach and how to teach it.	27%	46%	18%	9%	0%
20.	The district has effective educational programs for the following:					
	a. Reading	18%	73%	9%	0%	0%
	b. Writing	18%	82%	0%	0%	0%
	c. Mathematics	9%	82%	0%	9%	0%

B. EDUCATIONAL SERVICE DELIVERY (CONTINUED)

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
d. Science	27%	64%	0%	0%	9%
e. English or Language Arts	18%	82%	0%	0%	0%
f. Computer Instruction	18%	64%	0%	18%	0%
g. Social Studies (history or geography)	18%	82%	0%	0%	0%
h. Fine Arts	9%	73%	9%	9%	0%
i. Physical Education	18%	64%	18%	0%	0%
j. Business Education	9%	18%	27%	36%	9%
k. Vocational (Career and Technology) Education	9%	46%	9%	27%	9%
l. Foreign Language	9%	91%	0%	0%	0%
21. The district has effective special programs for the following:					
a. Library Service	18%	56%	18%	9%	0%
b. Honors/Gifted and Talented Education	0%	56%	18%	27%	0%
c. Special Education	18%	73%	0%	9%	0%
d. Head Start and Even Start programs	0%	9%	27%	46%	18%
e. Dyslexia program	9%	64%	9%	9%	9%
f. Student mentoring program	0%	18%	18%	46%	18%
g. Advanced placement program	9%	9%	18%	64%	0%
h. Literacy program	9%	46%	36%	9%	0%
i. Programs for students at risk of of dropping out of school	0%	82%	0%	9%	9%
j. Summer school programs	9%	64%	18%	0%	9%
k. Alternative education programs	9%	64%	0%	18%	9%
l. “English as a second language” program	9%	91%	0%	0%	0%
m. Career counseling program	18%	64%	9%	9%	0%
n. College counseling program	18%	64%	0%	18%	0%
o. Counseling the parents of students	0%	64%	27%	9%	0%
p. Drop out prevention program	0%	64%	27%	9%	0%
22. Parents are immediately notified if a child is absent from school.	18%	18%	36%	18%	9%
23. Teacher turnover is low.	9%	73%	0%	0%	18%
24. Highly qualified teachers fill job openings.	9%	64%	9%	9%	9%
25. Teacher openings are filled quickly.	0%	64%	18%	0%	18%
26. Teachers are counseled about less than satisfactory performance.	18%	36%	27%	9%	9%
27. Teachers are “highly qualified” in the subject areas they teach according to the NCLB regulations.	9%	46%	27%	9%	9%
28. All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	34%	56%	9%	0%	0%
29. The student-to-teacher ratio is reasonable.	56%	36%	9%	0%	0%
30. Classrooms are seldom left unattended.	27%	64%	9%	0%	0%

C. HUMAN RESOURCES

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
31.	Departments and campuses are staffed equitably across the district.	18%	36%	36%	9%	0%
32.	Human resource policies and procedures regarding job posting and hiring are followed consistently across the district.	18%	36%	27%	18%	0%
33.	The human resource department provides appropriate and timely assistance regarding staffing.	0%	46%	46%	9%	0%
34.	District salaries are competitive with similar positions in the job market.	0%	18%	18%	55%	9%
35.	The district has a good and timely program for orienting new employees.	0%	46%	27%	27%	0%
36.	Temporary workers are rarely used.	0%	64%	9%	9%	18%
37.	The district successfully projects future staffing needs.	0%	36%	36%	9%	18%
38.	The district has an effective employee recruitment program.	0%	18%	36%	27%	18%
39.	The district operates an effective staff development program.	9%	64%	9%	18%	0%
40.	District employees receive annual personnel evaluations.	9%	64%	18%	9%	0%
41.	Teacher morale is good.	0%	64%	0%	36%	0%
42.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0%	9%	9%	81%	0%
43.	Employees who perform below the standard of expectation are counseled appropriately and timely.	0%	27%	9%	64%	0%
44.	The district has a fair and timely grievance process.	0%	36%	36%	27%	0%
45.	The district's health insurance package meets my needs.	0%	55%	36%	9%	0%

D. COMMUNITY INVOLVEMENT

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
46.	Building community and business partnerships are a major goal of this district.	0%	73%	9%	9%	9%
47.	The district regularly communicates with parents.	9%	56%	0%	36%	0%
48.	Parent involvement and training activities are widely available throughout the district.	0%	18%	18%	64%	0%
49.	The local television and radio stations regularly report school news and menus.	0%	9%	0%	64%	27%
50.	Schools have plenty of volunteers to help student and school programs.	0%	18%	18%	36%	27%
51.	District facilities are open for community use.	0%	64%	9%	27%	0%

E. FACILITIES USE AND MANAGEMENT

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
52.	The district plans facilities far enough in the future to support enrollment growth.	0%	46%	46%	9%	0%

E. FACILITIES USE AND MANAGEMENT (CONTINUED)

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
53.	Parents, citizens, students, faculty, staff and the board provide input into facility planning.	0%	36%	27%	27%	9%
54.	The architect and construction managers are selected objectively and impersonally.	0%	36%	64%	0%	0%
55.	The quality of new construction is excellent.	9%	46%	36%	9%	0%
56.	Schools are clean.	9%	46%	9%	36%	0%
57.	Buildings are properly maintained in a timely manner.	9%	46%	18%	18%	9%
58.	Repairs are made in a timely manner.	0%	56%	18%	18%	9%
59.	Emergency maintenance is handled promptly.	9%	55%	18%	18%	0%

F. FINANCIAL MANAGEMENT

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
60.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	0%	9%	46%	27%	18%
61.	Campus administrators are well trained in fiscal management techniques.	0%	18%	55%	27%	0%
62.	Financial resources are allocated fairly and equitably at my school.	0%	18%	55%	18%	9%

G. PURCHASING AND WAREHOUSING

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
63.	Purchasing gets me what I need when I need it.	9%	46%	27%	18%	0%
64.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	0%	36%	46%	18%	0%
65.	Purchasing processes are not cumbersome for the requestor.	0%	82%	9%	9%	%
66.	Vendors are selected competitively.	0%	46%	46%	9%	0%
67.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	0%	36%	36%	27%	%
68.	Students are issued textbooks in a timely manner.	36%	55%	9%	0%	0%
69.	Textbooks are in good shape.	36%	36%	18%	9%	0%
70.	The school library meets the student needs for books and other resources.	27%	73%	0%	0%	0%

H. FOOD SERVICES

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
71.	The cafeteria's food looks and tastes good.	18%	46%	27%	9%	0%
72.	Food is served warm.	18%	64%	9%	9%	0%
73.	Students eat lunch at the appropriate time of day.	18%	64%	9%	9%	0%

H. FOOD SERVICES (CONTINUED)

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
74.	Students wait in food lines no longer than 10 minutes.	18%	82%	0%	0%	0%
75.	Discipline and order are maintained in the school cafeteria.	36%	64%	0%	0%	0%
76.	Cafeteria staff is helpful and friendly.	27%	64%	9%	0%	0%
77.	Cafeteria facilities are sanitary and neat.	45%	55%	0%	0%	0%

I. SAFETY AND SECURITY

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
78.	School disturbances are infrequent.	36%	55%	0%	9%	0%
79.	Gangs are not a problem in this district.	55%	45%	0%	0%	0%
80.	Drugs are not a problem in this district.	0%	27%	18%	36%	18%
81.	Vandalism is not a problem in this district.	9%	64%	9%	18%	0%
82.	Security personnel have a good working relationship with principals and teachers.	9%	9%	73%	9%	0%
83.	Security personnel are respected and liked by the students they serve.	0%	18%	73%	9%	0%
84.	A good working arrangement exists between local law enforcement and the district.	18%	46%	18%	18%	0%
85.	Students receive fair and equitable discipline for misconduct.	0%	64%	0%	36%	0%
86.	Safety hazards do not exist on school grounds.	9%	36%	27%	27%	0%

J. COMPUTERS AND TECHNOLOGY

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
87.	Students regularly use computers.	46%	36%	9%	9%	0%
88.	Students have regular access to computer equipment and software in the classroom.	9%	55%	9%	9%	18%
89.	Teachers know how to use computers in the classroom.	18%	82%	0%	0%	0%
90.	Computers are new enough to be useful for student instruction.	36%	55%	9%	0%	0%
91.	The district meets student needs in classes in computer fundamentals.	27%	64%	0%	9%	0%
92.	The district meets student needs in classes in advanced computer skills.	27%	27%	18%	27%	0%
93.	Teachers and students have easy access to the Internet.	64%	36%	0%	0%	0%

PARENT SURVEY

(N = 32)

Note: Totals may not add to 100% due to rounding.

A. DISTRICT ORGANIZATION AND MANAGEMENT

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
1. The school board allows sufficient time for public input at meetings.	10%	33%	37%	13%	7%
2. School board members listen to the opinions and desires of others.	3%	41%	34%	9%	12%
3. The superintendent is a respected and effective instructional leader.	16%	31%	28%	19%	6%
4. The superintendent is a respected and effective business manager.	12%	28%	38%	16%	6%
5. The school board has a good image in the community.	9%	22%	38%	19%	13%

B. EDUCATIONAL SERVICE DELIVERY AND PERFORMANCE MEASUREMENT

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
6. The district provides a high quality of services.	16%	25%	13%	25%	22%
7. The needs of the college-bound student are being met.	13%	28%	19%	28%	13%
8. The needs of the work-bound student are being met.	9%	44%	22%	16%	9%
9. The district has effective special programs for the following:					
a. Library Service	9%	63%	22%	6%	0%
b. Honors/Gifted and Talented Education	3%	16%	41%	28%	13%
c. Special Education	3%	41%	31%	13%	13%
d. Head Start and Even Start programs	3%	9%	50%	25%	13%
e. Dyslexia program	6%	19%	53%	13%	9%
f. Programs for students at risk of dropping out of school	9%	6%	41%	28%	16%
g. Summer school programs	3%	39%	39%	6%	3%
h. “English as a second language” program	3%	28%	53%	13%	3%
i. Counseling the parents of students	9%	25%	31%	19%	16%
10. Parents are immediately notified if a child is absent from school.	6%	31%	22%	34%	6%
11. Teacher turnover is low.	3%	34%	34%	16%	13%
12. Highly qualified teachers fill job openings.	3%	16%	31%	22%	28%
13. A substitute teacher rarely teaches my child.	3%	22%	38%	25%	13%
14. Teachers are knowledgeable in the subject areas they teach.	6%	41%	19%	28%	6%
15. All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	9%	47%	22%	16%	6%
16. Students have access, when needed, to a school nurse.	9%	34%	28%	16%	13%
17. Classrooms are seldom left unattended.	9%	28%	41%	13%	9%
18. The district provides a high quality education.	9%	34%	13%	16%	28%

C. COMMUNITY INVOLVEMENT

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
19. The district regularly communicates with parents.	9%	34%	16%	25%	16%
20. District facilities are open for community use.	13%	19%	44%	16%	9%
21. Schools have plenty of volunteers to help students and school programs.	6%	22%	38%	22%	13%

D. FACILITIES USE AND MANAGEMENT

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
22. Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	6%	19%	38%	28%	9%
23. Schools are clean.	6%	69%	9%	13%	3%
24. Buildings are properly maintained in a timely manner.	6%	50%	28%	9%	6%
25. Repairs are made in a timely manner.	3%	47%	31%	13%	6%
26. The district uses very few portable buildings.	16%	72%	6%	3%	3%
27. Emergency maintenance is handled expeditiously.	3%	38%	44%	9%	6%

E. ASSET AND RISK MANAGEMENT

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
28. My property tax bill is reasonable for the educational services delivered.	12%	19%	47%	13%	9%
29. Board members and administrators do a good job explaining the use of tax dollars.	9%	19%	38%	19%	16%

F. FINANCIAL MANAGEMENT

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
30. Campus administrators are well trained in fiscal management techniques.	3%	16%	56%	13%	13%
31. The district's financial reports are easy to understand and read.	3%	25%	47%	19%	6%
32. Financial reports are made available to community members when asked.	3%	22%	56%	9%	9%

G. PURCHASING

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
33. Students are issued textbooks in a timely manner.	3%	75%	13%	6%	3%
34. Textbooks are in good shape.	6%	72%	16%	3%	3%
35. The school library meets student needs for books and other resources.	6%	59%	25%	6%	3%

H. FOOD SERVICES

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
36. My child regularly purchases his/her meal from the cafeteria.	25%	53%	6%	9%	6%
37. The school breakfast program is available to all children.	28%	56%	16%	0%	0%
38. The cafeteria's food looks and tastes good.	16%	41%	16%	22%	6%
39. Food is served warm.	16%	50%	19%	9%	6%
40. Students have enough time to eat.	16%	50%	16%	9%	9%
41. Students eat lunch at the appropriate time of day.	12%	59%	25%	3%	0%
42. Students wait in food lines no longer than 10 minutes.	16%	50%	31%	3%	0%
43. Discipline and order are maintained in the school cafeteria.	16%	53%	28%	3%	0%
44. Cafeteria staff is helpful and friendly.	28%	47%	16%	6%	3%
45. Cafeteria facilities are sanitary and neat.	28%	63%	6%	3%	0%

I. TRANSPORTATION

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
46. My child regularly rides the bus.	38%	44%	9%	6%	3%
47. The bus driver maintains discipline on the bus.	25%	50%	16%	9%	0%
48. The length of the student's bus ride is reasonable.	19%	66%	16%	0%	0%
49. The drop-off zone at the school is safe.	22%	63%	16%	0%	0%
50. The bus stop near my house is safe.	22%	50%	25%	3%	0%
51. The bus stop is within walking distance from our home.	22%	47%	19%	9%	3%
52. Buses arrive and depart on time.	22%	63%	16%	0%	0%
53. Buses arrive early enough for students to eat breakfast at school.	13%	50%	31%	6%	0%
54. Buses seldom break down.	13%	56%	22%	9%	0%
55. Buses are clean.	9%	50%	31%	9%	0%
56. Bus drivers allow students to sit down before taking off.	16%	50%	19%	13%	3%

J. SAFETY AND SECURITY

SURVEY QUESTIONS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
57. Students feel safe and secure at school.	25%	59%	13%	0%	3%
58. School disturbances are infrequent.	25%	50%	19%	3%	3%
59. Gangs are not a problem in this district.	31%	53%	9%	6%	0%
60. Drugs are not a problem in this district.	9%	28%	16%	31%	16%
61. Vandalism is not a problem in this district.	13%	53%	9%	16%	9%
62. Security personnel have a good working relationship with principals and teachers.	6%	9%	69%	9%	6%
63. Security personnel are respected and liked by the students they serve.	6%	13%	72%	6%	3%

J. SAFETY AND SECURITY (CONTINUED)

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
64.	A good working arrangement exists between the local law enforcement and the district.	13%	59%	22%	6%	0%
65.	Students receive fair and equitable discipline for misconduct.	6%	44%	25%	16%	9%
66.	Safety hazards do not exist on school grounds.	6%	34%	44%	9%	6%

K. COMPUTERS AND TECHNOLOGY

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
67	Teachers know how to teach computer science and other technology-related courses.	6%	47%	34%	9%	3%
68.	Computers are new enough to be useful to teach students.	9%	53%	34%	3%	0%
69.	The district meets student needs in computer fundamentals.	6%	44%	38%	9%	3%
70.	The district meets student needs in advanced computer skills.	6%	34%	41%	13%	6%
71.	Students have easy access to the internet.	16%	38%	47%	0%	0%

STUDENT SURVEY

(N = 35)

Note: Totals may not add to 100% due to rounding.

A. EDUCATIONAL SERVICE DELIVERY AND PERFORMANCE MEASUREMENT

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
1.	The needs of the college-bound student are being met.	6%	51%	29%	11%	3%
2.	The needs of the work-bound student are being met.	9%	49%	34%	6%	3%
3.	The district has effective educational programs for the following:					
	a. Reading	6%	77%	14%	3%	0%
	b. Writing	9%	71%	17%	3%	0%
	c. Mathematics	9%	63%	14%	14%	0%
	d. Science	20%	69%	6%	6%	0%
	e. English or Language Arts	6%	77%	9%	9%	0%
	f. Computer Instruction	9%	77%	6%	9%	0%
	g. Social Studies (history or geography)	11%	57%	9%	17%	6%
	h. Fine Arts	6%	57%	17%	20%	0%
	i. Physical Education	29%	57%	6%	6%	3%
	j. Business Education	0%	29%	40%	23%	9%
	k. Vocational (Career and Technology) Education	0%	49%	31%	20%	0%
	l. Foreign Language	23%	66%	9%	3%	0%
4.	The district has effective special programs for the following:					
	a. Library Service	14%	57%	20%	9%	0%
	b. Honors/Gifted and Talented Education	3%	54%	14%	20%	9%
	c. Special Education	14%	51%	34%	0%	0%
	d. Student mentoring program	3%	17%	57%	17%	6%
	e. Advanced placement program	6%	40%	40%	11%	3%
	f. Career counseling program	11%	34%	43%	9%	3%
	g. College counseling program	9%	54%	29%	9%	0%
5.	Students have access, when needed, to school nurse.	26%	51%	20%	3%	0%
6.	Classrooms are seldom left unattended.	11%	51%	26%	11%	0%
7.	The district provides a high quality education.	0%	46%	26%	17%	11%
8.	The district has high quality teachers.	9%	43%	23%	26%	0%

B. FACILITIES USE AND MANAGEMENT

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
9.	Schools are clean.	8%	60%	29%	6%	0%
10.	Buildings are properly maintained in a timely manner.	3%	66%	23%	3%	6%
11.	Repairs are made in a timely manner	0%	46%	40%	11%	3%
12.	Emergency maintenance is handled timely.	0%	57%	31%	11%	0%

C. PURCHASING AND WAREHOUSING

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
13.	There are enough textbooks in all my classes.	6%	51%	26%	14%	3%
14.	Students are issued textbooks in a timely manner.	9%	77%	9%	6%	0%
15.	Textbooks are in good shape.	3%	46%	26%	23%	3%
16.	The school library meets student needs for books and other resources.	14%	57%	26%	3%	0%

D. FOOD SERVICES

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
17.	The school breakfast program is available to all children.	17%	63%	11%	9%	0%
18.	The cafeteria's food looks and tastes good.	0%	23%	29%	34%	14%
19.	Food is served warm.	3%	31%	31%	31%	3%
20.	Students have enough time to eat.	0%	60%	14%	11%	14%
21.	Students eat lunch at the appropriate time of day.	6%	80%	14%	0%	0%
22.	Students wait in food lines no longer than 10 minutes.	9%	54%	17%	14%	6%
23.	Discipline and order are maintained in the school cafeteria.	9%	71%	20%	0%	0%
24.	Cafeteria staff is helpful and friendly.	20%	54%	26%	0%	0%
25.	Cafeteria facilities are sanitary and neat.	6%	71%	20%	3%	0%

E. TRANSPORTATION

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
26.	I regularly ride the bus.	11%	14%	17%	11%	46%
27.	The bus driver maintains discipline on the bus.	0%	31%	60%	3%	6%
28.	The length of my bus ride is reasonable.	0%	40%	49%	9%	3%
29.	The drop-off zone at the school is safe.	14%	31%	51%	3%	0%
30.	The bus stop near my house is safe.	11%	23%	60%	0%	6%
31.	The bus stop is within walking distance from our home.	11%	17%	60%	6%	6%
32.	Buses arrive and leave on time.	6%	26%	63%	3%	3%
33.	Buses arrive early enough for students to eat breakfast at school.	6%	37%	51%	3%	3%
34.	Buses seldom break down.	3%	14%	54%	14%	14%
35.	Buses are clean.	0%	17%	57%	17%	9%
36.	Bus drivers allow students to sit down before taking off.	6%	40%	51%	3%	0%

F. SAFETY AND SECURITY

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
37.	I feel safe and secure at school.	17%	57%	17%	0%	9%
38.	School disturbances are infrequent.	6%	54%	31%	3%	6%
39.	Gangs are not a problem in this district.	43%	46%	6%	6%	0%
40.	Drugs are not a problem in this district.	6%	29%	31%	20%	14%
41.	Vandalism is not a problem in this district.	17%	34%	37%	9%	3%
42.	Security personnel have a good working relationship with principals and teachers.	6%	46%	49%	0%	0%
43.	Security personnel are respected and liked by the students they serve.	6%	34%	51%	9%	0%
44.	A good working arrangement exists between the local law enforcement and the district.	6%	46%	46%	0%	3%
45.	Students receive fair and equitable discipline for misconduct.	0%	43%	31%	14%	11%
46.	Safety hazards do not exist on school grounds.	0%	40%	46%	14%	0%

G. COMPUTERS AND TECHNOLOGY

SURVEY QUESTIONS		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE
47.	Students have regular access to computer equipment and software in the classroom.	11%	63%	14%	9%	3%
48.	Teachers know how to use computers in the classroom.	14%	69%	11%	3%	3%
49.	Computers are new enough to be useful for student instruction.	11%	63%	26%	0%	0%
50.	The district offers enough classes in computer fundamentals.	9%	63%	26%	3%	0%
51.	The district meets student needs in advanced computer skills.	9%	43%	37%	11%	0%
52.	Teachers and students have easy access to the Internet.	17%	66%	11%	3%	3%