

# Transmittal Letter

October 2, 2003

The Honorable Rick Perry, Governor  
The Honorable David Dewhurst, Lieutenant Governor  
The Honorable Thomas R. Craddick, Speaker of the House  
Chief Deputy Commissioner Robert Scott

Fellow Texans:

I am pleased to present this report on the progress of the Lasara Independent School District (LISD) in implementing my Texas School Performance Review (TSPR) recommendations.

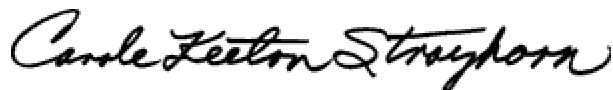
In April 2002, I released the results of my review of the district's operations. This review offered 37 recommendations that collectively could save LISD taxpayers a net of \$626,437 by 2006-07. The review also noted a number of LISD's exemplary programs and model services provided by district administrators, teachers, and staff.

In May 2003, we returned to check on how well the district's leadership put these proposals into practice. Over the last year, LISD has implemented, or is in the process of implementing, 35 of the proposals, or 95 percent. The district has saved a net of \$142,365 to date, and expects those savings to grow to \$711,825 over five years.

This report is available on my Web site at [www.window.state.tx.us/tspr/lasarapr/](http://www.window.state.tx.us/tspr/lasarapr/).

Thanks for all that you do for Texas.

Sincerely,



Carole Keeton Strayhorn  
Texas Comptroller

c: Senate Committee on Education  
House Committee on Public Education  
The Honorable Eduardo A. Lucio, Jr., Senator, District 27  
The Honorable Juan Escobar, House, District 43

# Progress Report

## Lasara Independent School District

October 2003

### Introduction

In October 2001, Texas Comptroller Carole Keeton Strayhorn announced her intent to conduct a review of the Lasara Independent School District (LISD) as part of a four district review of all school districts in Willacy County. Comptroller Strayhorn issued a final report in April 2002 detailing 37 recommendations that could result in net savings of \$626,437 over the next five years for LISD. The Texas School Performance Review (TSPR) staff returned in May 2003 to assess the district's progress in implementing the recommendations.

Since 1991, TSPR has recommended more than 7,600 ways to save taxpayers more than \$780 million over a five-year period in more than 100 public school districts throughout Texas. TSPR also conducts follow-up reviews of districts that have had at least one year to implement its recommendations. More than 60 subsequent reviews show that more than 90 percent of TSPR's combined proposals have been acted upon, saving taxpayers nearly \$135 million, with the full savings estimated to grow in the future.

### **Improving the Texas School Performance Review**

Soon after taking office in January 1999, Texas Comptroller Carole Keeton Strayhorn consulted school district officials, parents and teachers from across Texas and carefully examined past reviews and progress reports to make TSPR more valuable to the state's school districts. With the perspective of a former teacher and school board president, the Comptroller has vowed to use TSPR to increase local school districts' accountability to the communities they serve.

Recognizing that only 51 cents of every education dollar is spent on instruction, Comptroller Strayhorn's goal is to drive more of every education dollar directly into the classroom. Comptroller Strayhorn also has ordered TSPR staff to share best practices and exemplary programs quickly and systematically with all the state's school districts and with anyone else who requests such information. Comptroller Strayhorn has directed TSPR to serve as a clearinghouse of the best ideas in Texas public education.

Under Comptroller Strayhorn's approach, consultants and the TSPR team will work with districts to:

- ensure students and teachers receive the support and resources necessary to succeed;
- identify innovative ways to address the district's core management challenges;
- ensure administrative duties are performed efficiently, without duplication, and in a way that fosters education;
- develop strategies to ensure the district's processes and programs are continuously assessed and improved;
- challenge any process, procedure, program or policy that impedes instruction and recommend ways to reduce or eliminate obstacles; and
- put goods and services to the "Yellow Pages Test": government should do no job if a business in the Yellow Pages can do that job better and at a lower cost.

Finally, Comptroller Strayhorn has opened her door to Texans who share her optimism about the potential for public education. Suggestions to improve Texas schools or the school reviews are welcome at any time. The Comptroller believes public schools deserve all the attention and assistance they can get.

For more information, contact TSPR by calling toll-free 1-800-531-5441, extension 5-3676, or see the Comptroller's Web site at [www.window.state.tx.us](http://www.window.state.tx.us).

## **TSPR in Lasara ISD**

The Comptroller contracted with SoCo Consulting, an Austin-based consulting firm, to assist with the LISD review. The team interviewed district employees, school board members, parents and community members and conducted a public forum on October 29 at the Lasara School Cafeteria from 6 to 8 p.m.

To ensure stakeholders had an opportunity to give comment to the review team more than 300 surveys were mailed to parents, teachers and district staff. There were 66 responses from 12 campus and central administrators and support staff, eight teachers and 46 parents.

The review team also consulted two databases of comparative educational information maintained by the Texas Education Agency (TEA), the Academic Excellence Indicator System (AEIS) and the Public Education Information Management System (PEIMS).

LISD selected five peer districts for comparisons based on similarities in student enrollment, student performance and community and student demographics: San Perlita, San Isidro, Monte Alto, Santa Maria and La Villa ISDs. TSPR also compared LISD with district averages in TEA's Regional Education Service Center I (Region 1), to which LISD belongs, and the state as a whole.

## **LISD in Profile**

Located in Willacy County, which lies in South Texas' Rio Grande Valley, LISD is more than 95 percent Hispanic, according to the 2000 US Census. The school district and county government serve as the area's largest employers. The small, rural district's main economic base consists of farm and ranch land without any major commercial property, providing a fairly static tax base. State funds supported a majority of the district's 2002-03 \$2.6 million budget.

In 2002-03, LISD budgeted 44 cents of every tax dollar on classroom instruction compared to the state average of 51 cents. In 2002-03, the district employed a staff of 59 individuals with teachers making up 37 percent of the district staff. LISD served 307 students in pre-kindergarten through grade 8 at one school in 2002-03. LISD's student population consists of 97.4 percent Hispanic and 2.6 percent Anglo. The district has 89.9 percent of its students classified as economically disadvantaged. LISD's passing rate for all Texas Assessment of Academic Skills (TAAS) tests taken was 88.7 percent and the district was rated Recognized in 2001-02. For 2002-03, 86 percent of grade 3 students passed the Texas Assessment of Knowledge and Skills (TAKS) reading test.

Over the last year, significant changes have occurred in the district. The LISD school board, with assistance from Region 1, hired Dr. Cornelio Gonzalez as the new superintendent. Dr. Gonzalez replaced the interim superintendent, also serving as the high school principal, and followed the departure of deputy superintendent Raul "Bobby" Chapa. Dr. Gonzalez focused on the district's financial health, training administrative staff on budget development and implementing stricter fiscal resource management. The new superintendent has implemented most of the TSPR recommendations including the reduction of employees through attrition. In addition, he hired an individual to improve the business office management and requested support from a Region 1 financial expert to assist the business manager with the backlog of bank reconciliation's and reviewing the district's procedures.

The superintendent has also worked to involve parents, community members, teachers and other staff members in the district's decision-making process. For example, representatives from all these groups

participated in developing the new Campus Improvement Plan (CIP), which they directly linked to the annual budget. The new superintendent also conducts regular meetings with parents, teachers, staff and community members. Faculty meetings are scheduled every three weeks, administrators meet every two weeks and parent meetings occur once per month. To bring district initiatives and information directly into the community, the district recently created

"Neighborhood Meetings" in which school staff meets with parents and community members in their homes. As a result, support for school initiatives has increased and the community's perception of the school district is more positive.

While work continues in the district, both LISD staff and TSPR team members have a sense that the district has made great strides to complete most of the recommendations. Thirty recommendations have been completed, five are in progress, one has not been implemented and one has been rejected. (See **Appendix A** for details on the recommendations' status.)

### **Lasara ISD Report Card**

<b>Chapter</b>	<b>Total</b>	<b>Complete</b>	<b>In Progress</b>	<b>Not Implemented</b>	<b>Rejected</b>	<b>Percent Complete/ In Progress</b>	<b>Ratings</b>
District Organization and Management	<b>15</b>	13	1	0	1	87%/7%	Excellent
Educational Service Delivery	<b>9</b>	8	1	0	0	89%/11%	Excellent
Financial Management	<b>9</b>	7	1	1	0	78%/11%	Satisfactory
Operations	<b>4</b>	2	2	0	0	50%/50%	Satisfactory
<b>Overall Grade</b>	<b>37</b>	<b>30</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>81%/14%</b>	<b>Excellent</b>

*Excellent = More than 80% complete*

*Satisfactory = 80% to 100% complete or in progress*

*Needs Work = Less than 80% complete or in progress*

## Exemplary Programs and Practices

TSPR identified numerous "best practices" in LISD. Through commendations in each chapter, the report highlights model programs, operations and services provided by LISD administrators, teachers and staff. Other school districts throughout Texas are encouraged to examine these exemplary programs and services to see if they could be adapted to meet local needs. TSPR's commendations include the following:

- ***LISD has a comprehensive parental involvement handbook.*** The parental involvement handbook provides information parents need on how to be involved in their children's education. Included in the handbook are the names and numbers of teachers and administrators, volunteering procedures, district goals and objectives, parent surveys, an involvement pledge and helpful hints about how to work with students. And, the handbook is printed in English and Spanish.

*Since the review, the district has initiated a new successful parent program. In March 2003, the district's new superintendent and staff introduced a "Neighborhood Meetings" program. Co-hosted by LISD staff and a parent who opens his home to other parents and community members, the meeting includes a discussion on the district's programs and services followed by refreshments and entertainment provided by district staff. The superintendent said that the 50 attendees at the first program included many parents who had not previously visited the school. The district plans to expand the program and host a second program in June 2003.*

- ***Teacher aides are encouraged to continue their education.*** Each teacher aide is required to take three hours of college credit a year after the first year of employment. For each hour of college credit they receive, they are paid an additional \$100 annually. LISD pays the tuition and the costs of the books. Ten percent of the LISD teaching staff, who started out as teacher aides and went on to get their college degrees, are a product of this program.

*LISD continues to provide funding to encourage teacher aides to attend college. As part of this effort to solicit teachers from its community, the district pays tuition and book costs. Teacher aides benefit from receiving a tuition-free higher education, district students receive help from more informed paraprofessionals and the district increases its potential teacher base.*

- ***LISD developed programs to improve deficient TAAS math scores.*** The district recognized its TAAS math scores were low and

implemented a number of improvements, ensuring that its math curriculum was vertically and horizontally aligned and that all teachers used and were trained in the Sharon Wells math curriculum. Across all grades, math scores on the TAAS improved by 44 percent between 1999-2000 and 2000-01.

*In 2001-02, teachers continued to focus on improving math scores. Consequently, LISD's TAAS math scores increased in all grades except grade 8. In grades 3, 4, 5 and 7, the district's students surpassed the state average in math scores. LISD grade 7 students had a score of 89.7 percent compared with the state average of 87.6 percent, while the percent passing for LISD grade 5 students was 4.7 percentage points higher than the state's average of 91.3 percent. Teachers will focus on developing additional instructional strategies in assisting grade 8 students succeed in math.*

- ***LISD serves breakfast to children in the classroom, ensuring all children eat a nutritious breakfast.*** All children in grades 2 through 8 receive a breakfast in their classroom every day. The district reports children are more alert and attentive in class since the program began.

*Since the review, LISD has continued to provide children with breakfast. The program, which provides students with a nutritious meal before they start the school day, also helps the district increase meal participation rates.*

## **TSPR Key Recommendations**

### **District Organization and Management**

**Recommendation 1: Hold board meetings at the Community Resource Center (CRC) to encourage community attendance.** This recommendation has had a positive impact on the district. Prior to the report's recommendation, board meetings were conducted in a small administrative office. Moving the meetings to the Community Resource Center has not only offered a more inviting environment but has also increased attendance. In addition to the new location, several other changes contributed to the increased attendance. Now during meetings, teachers make board presentations, students receive awards and the board conducts meetings in English and Spanish on an as-needed basis. While meetings previously lacked any attendance from the community, the superintendent said now five or six community members attend each board meeting.

**Recommendation 6: Immediately recruit a superintendent to lead the district.** The hiring of a permanent new superintendent has benefited the district and the entire community. The board deferred to Region 1 for assistance in advertising, interviewing and hiring the superintendent. The new superintendent has helped to motivate not only staff but community members. In addition to offering the district new ideas, the superintendent is building a sound financial accountability system for the district.

### **Educational Service Delivery**

**Recommendation 18: Develop strategies to improve reading proficiency by 5 percent.** The district has made great strides in aligning its curriculum to the new Texas Assessment of Knowledge and Skills (TAKS). Working in teams, teachers developed curriculum timelines for each subject area. They also created benchmark assessments to measure student progress at six-week intervals, identify problematic curriculum areas and provide additional support to students at-risk of failing. All students needing additional support were offered tutorial classes after school and on Saturday mornings. Several special meetings were also called to align curriculum across grade levels and develop Texas Essential Knowledge and Skills (TEKS) based assessments.

**Recommendation 21: Re-evaluate the bilingual/ESL program to make it more effective.** As a result of this recommendation, the district hired a bilingual/ESL teacher to the "Academic Adventures" tutoring classes. Now, students who spend time with the bilingual teacher during these sessions receive tutoring while improving their language skills. The district has also contracted for additional staff development sessions to improve ESL teaching strategies in 2003-04.

### **Financial Management**

**Recommendation 26: Generate financial statements each month for the board and administrators.** To improve district business management functions, the superintendent hired an additional person in the business office. This allows LISD's business manager to generate monthly financial statements for school board meetings, helping board members better understand the district's financial condition and the impact of their decisions on the district's fund balance. The new employee assists the business manager with personnel matters.

**Recommendation 31: Establish a Budget Planning Committee to identify the district's goals and financial constraints.** The superintendent said this recommendation created a spirit of buy-in to district goals because the Site-Based Decision-Making Committee (SBDMC) members have become involved in the budget process. The



district opted not to create another separate budget planning committee but instead focused on using the existing SBDMC. The process started when the new superintendent trained the administration and then the SBDMC and staff on budget development. Now, the district plans all activities while taking into consideration budgetary constraints. While instruction and student safety are given first priority, other activities are ranked according to need.

## **Operations**

**Recommendation 36: Use all available commodity resources to lower food costs to the district.** As a result of this recommendation, the district and Food Services are investigating new revenue sources. After joining the Region 1's Commodity Cooperative in 2000-01, the district reviewed and adjusted their menus to use the cost-effective commodities provided.

## **What Still Needs to be Done?**

LISD has made steady progress towards implementing TSPR's recommendations. The district has completed 30 recommendations, five are in progress, one has not been implemented and one has been rejected. This section addresses the key areas that require additional attention from the district.

## **Financial Management**

While LISD has completed or is in the process of implementing most of the financial management recommendations, the district must increase its focus on the management of its fund balance (Rec. #25). The district has an undesignated fund balance of more than \$189,000 for 2002-03. Although LISD has established a goal to increase the fund balance to the state-recommended level, it has not formally established a policy or plan to continually monitor its expenditures and revenues and protect the district's fund balance. Including a summary of the beginning fund balance, the revenues and expenditures for the month and the ending fund balance in the board packets will help keep the board and administration constantly aware of the district's financial position.

## **Operations**

The district has informally discussed the development of a facilities master plan with the board, parents, staff and community members (Rec. #34). However, once the district opens the new facility in August 2003, the disposal of the older buildings must be a priority. While maintaining these facilities will be costly, the options for disposal appear limited. The

superintendent recommends the district donate the school to the town for a community library, making the town responsible for maintenance.

No matter which option LISD chooses, it is important that the district plan before acting. The district needs to consider enrollment trends and seek community input about the use of older facilities so that all those involved and affected by the district's decisions understand the options and agree that the final decision is what is best for the community and the district regarding historical facilities.

## **LISD's Ideas for Improving the Texas School Performance Review**

The Texas School Performance Review team does not assume that its process for performing school reviews works so well that it cannot be improved. Therefore, as part of the progress report preparation, TSPR asked LISD staff members and administrators to discuss what went right and what went wrong-and then talk about how the process could be improved.

The feedback TSPR has received from other districts led to improvements in the review process. For example, early reports did not include implementation strategies, and districts told TSPR they needed help in getting started. As a result, the reports now include implementation strategies and timelines to complement the recommendations. Districts have told TSPR these blueprints are invaluable to achieving the desired results. It is important for TSPR to continually be mindful of those things that did not work as intended so that the review process can be improved.

LISD administrators and board members made the following observations:

Board member responses were generally positive, adding that the report provided LISD a much-needed performance review. One board member said the recommendation to hire a certified superintendent to lead the district was something that the community needed to hear and act upon. Board members also said the TSPR review assisted the district in improving financial management by suggesting financial practices to help monitor the district's finances, especially in light of the budget constraints facing districts across Texas.

One board member suggested that TSPR's process might need to improve the method used to gather stakeholders comments. Negative comments from one or two individuals should not represent the entire community's perceptions or beliefs. TSPR takes these comments seriously and will examine its processes for gathering comments. TSPR understands that in smaller districts the number of individuals who respond can give a wrong

perception, however, TSPR values everyone's input into the process and continually seeks ways to obtain comments from a wide variety of stakeholders.

The superintendent and key administrators said the report assisted them in tackling some difficult projects. They also said that because the report came from the Comptroller's office, it lent weight to implementing these changes. The new superintendent said the report provided him with a great tool to quickly identify the main issues that required immediate attention. Prior to reading the report, the superintendent also said that when he interviewed for his position, he recommended several items contained in the report. Since then, he has required his administrative staff to read and become familiar with the report. This action has helped the district to complete some recommendations and focus on implementing others.

# Appendix A

## Status of Recommendations and Savings

Rec. #	Recommendation	Implementation Status	TSPR Projected Five - Year Savings (Costs)	LISD Savings (Costs) to Date	LISD Projected Five - Year Savings (Costs)	Comments
<b>Chapter 1 - District Organization and Management</b>						
1	Hold board meetings at the Community Resource Center to encourage community attendance. p. 16	Complete	\$0	\$0	\$0	After being hired on August 1, 2002, the new superintendent immediately moved all board meetings to the Community Resource Center the first meeting on August 26, 2002 was held at this facility. This change has improved access and attendance at school board meetings. The superintendent also frequently invites teachers to make presentations, recognizes students and encourages parents to attend meetings.
2	Include necessary information in board packets so board members can make informed decisions. p. 18	Complete	\$0	(\$200)	(\$1,000)	Starting with the September 10, 2002 board meeting, the superintendent began providing a packet of background information to each trustee. The school board now receives a complete packet containing information for all of the items on the agenda. The district distributes the packet at least four days before each

						meeting so board members have time to review the information.
3	Record board meeting minutes and transcribe the discussion for inclusion in board meeting minutes. p. 20	Complete	\$0	(\$50)	(\$250)	The district records board meetings and a summary of all board actions in the minutes. The district continues to refine this process so that minutes more completely reflect board discussions.
4	Prepare a performance report for auxiliary functions for the board annually. p. 21	Complete	\$0	(\$100)	(\$500)	A Food Services Department performance report was presented to the board at the June 2003 meeting. The performance report for transportation and maintenance was presented at the July 2003 board meeting.
5	Prepare an annual board calendar. p. 22	Complete	\$0	\$0	\$0	The superintendent prepared a calendar of all regularly scheduled board meetings for 2002-03. He also prepared a calendar of all regularly scheduled board meetings for 2003-04 that lists recommended topics for each meeting.
6	Immediately recruit a superintendent to lead the district. p. 24	Complete	\$0	\$0	\$0	LISD hired Dr. Cornelio Gonzalez in August 2002. Region 1 assisted the district in the superintendent search. This year, the board gave Dr. Gonzalez a good evaluation and

						extended his contract until 2005.
7	Hire a part-time grant writer. p. 25	Complete	\$0	(\$750)	(\$3,750)	The superintendent created a grant-writing team of teachers and staff who are familiar with the needs, characteristics and goals of the school district. This team received training on May 7, 2003 and will start applying for grants immediately.
8	Integrate the district's planning documents into a district strategic plan and link it to the budget. p. 29	In Progress	\$0	\$0	\$0	The Site-Based Decision Making Committee (SBDM) has begun developing a strategic plan for 2003-04. The SBDMC linked all stakeholders' recommendations to the district's budget. The committee is using the CIP and the technology plan as a spring-board in creating the plan. When complete, the committee will present the plan to the board for approval.
9	Develop a comprehensive technology plan for the district. p. 30	Complete	\$0	\$0	\$0	In September 2003, the technology committee will update the four-year technology plan, which was developed in September 2001, to address new state mandates and changes in funding.
10	Create community center financial statements and	Complete	\$0	\$0	\$0	The district continuously monitors the

	monitor the costs and benefits of continued participation. p. 32					financial statements related to the administration of the community center. Based on the supervision, several changes have been made to maximize the use of school-owned vehicles for community service. The district has continued to search for partnerships and alternative funding sources to limit the cost. A recent agreement with the American Association of Retired Persons resulted in placing one community service position at the site to assist in custodial duties, at no cost to the district.
11	Develop a local nepotism policy that addresses management and reporting practices. p. 34	Rejected	\$0	\$0	\$0	Although the district has had a nepotism policy since July 8, 1991, Dr. Cornelio Gonzalez issued administrative directives to reinforce the policy on February 20, 2003. The directives seek to ensure that administrators do not directly supervise relatives. The school board reconsidered the policy at its May 2003 meeting and determined that it is adequate to meet district needs.
12	Develop a checklist for what	Complete	\$0	\$0	\$0	LISD joined the Texas Association

	should be included in personnel files. p. 35					of School Boards (TASB) Human Resource Services on November 1, 2002. The district developed a checklist for personnel files following a TASB model.
13	Develop a policy for handling accumulated sick and personal leave for employees who leave the district or retire. p. 37	Complete	\$0	(\$21,000)	(\$105,000)	On September 30, 2002, the district hired an additional employee to assist the business officer with personnel issues. LISD now is implementing its policy for sick and personal leave.
14	Report and track all vacation time earned. p. 37	Complete	\$0	\$0	\$0	The district is reporting and tracking staff vacation time earned. In Summer 2003, the district will close completely for two weeks, preventing employees from accumulating vacation days.
15	Evaluate all non-teaching staff annually. p. 38	Complete	\$0	\$0	\$0	The district developed and updated job descriptions based on TASB models. LISD also developed evaluation instruments to fit each job description. All non-teaching staff were evaluated before May 31, 2003.
<b>Totals-Chapter 1</b>			<b>\$0</b>	<b>(\$22,100)</b>	<b>(\$110,500)</b>	
<b>Chapter 2 - Educational Service Delivery</b>						
16	Implement staffing formulas	Complete	\$689,040	\$169,565	\$847,825	During 2002-03, the district reduced



	and reduce staff. p. 52					the number of employees from 71 to 59. As a result of retirement or resignations, three more employees left the district in May 2003. LISD will not fill these positions, reducing the number of employees for 2003-04 to 56. The district developed a staffing formula for 2003-04 based on the model recommended by TSPR. Through attrition LISD is reaching its appropriate staffing ratio.
17	Develop a textbook procedures manual. p. 54	Complete	\$0	\$0	\$0	The curriculum coordinator organized procedures that have been incorporated into a cohesive procedures manual.
18	Develop strategies to improve reading proficiency by 5 percent. p. 58	Complete	\$0	\$0	\$0	The district has used several strategies to improve the reading scores. Working in teams, teachers developed curriculum timelines for all subjects including reading. They also created benchmark assessments to measure student progress every six weeks and provide additional support. As a result, reading scores increased. In 2002-03, the district's grade 3 students scored 86

						percent in the new more rigorous Texas Assessment of Knowledge and Skills test. In addition, the district improved its TAAS reading scores from 86.1 percent in 2000-01 to 91.1 percent in 2001-02.
19	Review Algebra I curriculum and align it with end-of-course examinations. p. 60	Complete	\$0	(\$400)	(\$2,000)	In August 2002, the curriculum coordinator reviewed the Algebra I curriculum and verified its alignment with the end of course (EOC) exam. She also studied a TEA report on the Texas Math Initiative and implemented its recommendations. The Algebra I teacher was sent to a TEA/Dana Center workshop to receive training on this topic. Grade 8 students scored 91 percent passing the EOC Algebra test in May 2003.
20	Monitor student academic performance through high school graduation. p. 61	In Progress	\$0	\$0	\$0	LISD created a list of grade 8 students who graduated in the last four years and submitted it to the counselors at Lyford and Raymondville high schools to obtain TAAS scores and dropout and graduation rates. The counselors have agreed to cooperate, collect the data and submit it to LISD.

21	Re-evaluate the bilingual/ESL program to make it more effective. p. 64	Complete	\$0	\$0	\$0	LISD is targeting Limited English Proficient students for individualized attention during the school day and through enrichment activities in the Academic Adventures after-school program. The district has contracted with Region 1 for additional staff development sessions for 2003-04 to improve the ESL program's teaching strategies, and used their bilingual teacher to work with students in the Academic Adventures program.
22	Allocate additional district funds to special education. p. 69	Complete	(\$156,000)	\$0	\$0	The district purchased adaptive equipment for the library and additional equipment for students with hearing disabilities for \$30,000 but did not spend extra general funds for this equipment since the cost of Co-op services dropped by \$15,000 from the previous year. The reduced costs resulted from a drop in enrollment. LISD has 22 special education students and provides transportation to students for treatment and educational services at other

						schools. In addition, the district has budgeted \$30,000 in September 2003 to buy a bus with a lift for special education students.
23	Establish and administer a Gifted and Talented (G/T) program that complies with state guidelines. p. 72	Complete	\$0	(\$4,500)	(\$22,500)	The district has identified a teacher to sponsor and conduct activities that target G/T students. All LISD teachers modify lessons to meet the special needs of G/T students, and the district scheduled Junior Great Books G/T training for all teachers on August 14, 2003. Additional staff development will be provided during 2003-04. In 2002-03, LISD sent G/T students on an educational field trip to the NASA Space Center in Houston. The district also provides enrichment activities after school for G/T students.
24	Include compensatory education funds in the district improvement plan. p. 75	Complete	\$0	\$0	\$0	The special needs of students at risk of dropping out of school or of being retained have been addressed through the Academic Adventures program, the Optional Extended Year program and other activities. All activities funded with state

						compensatory funds are identified in the campus improvement plan. The TSPR audit shows that actual expenditures were higher than the allocated amount from the state.
	<b>Totals-Chapter 2</b>		<b>\$533,040</b>	<b>\$164,665</b>	<b>\$823,325</b>	
<b>Chapter 3 - Financial Management</b>						
25	Establish a policy for management of the fund balance. p. 85	In Progress	\$0	\$0	\$0	LISD has established a goal of increasing its fund balance to the state-recommended level of three months of operating expenditures. In order to achieve this goal, the district will budget annual amounts to slowly increase the fund balance. LISD's undesignated fund balance for 2002-03 is \$189,390. The superintendent has informed the board that the fund balance may not be used to fund payroll or any recurring expenditures. The district however has not yet established a formal written policy for the day to day management of the fund balance.
26	Generate financial statements each month for the board and administrators. p. 87	Complete	\$0	\$0	\$0	Starting in October 2002, the business officer began generating monthly financial statements for school board meetings. In

						addition, the district hired an employee to assist with personnel matters, freeing up the business manager to focus on financial issues.
27	Draft and publish a purchasing procedures manual. p. 90	Complete	\$0	(\$200)	(\$1,000)	The district developed several documents to process payment requests and purchase orders. Administrators have been trained on these documents. In May 2003, the district completed a purchasing handbook that includes these documents.
28	Develop an external auditor Request for Proposal policy to ensure that new auditors are solicited every five years. p. 92	Complete	\$0	\$0	\$0	District policy now requires that the auditor's contract be reviewed annually. LISD follows a five-year rotation for its external auditor. A search for a new auditor was conducted in 2002-03 and one was hired in October 2002.
29	Contract with the Willacy County Tax Assessor Collector to collect property taxes. p. 94	Not Implemented	\$113,812	\$0	\$0	LISD researched the possibility of contracting with the Willacy County Tax Assessor Collector to collect property taxes. However, the district discovered that other districts served by the county tax collector are not satisfied with its services because of delays

						<p>in receiving the funds collected. After discussing the issue at its May 2003 meeting, the board decided to continue to collect its own taxes. The board will revisit the issue when the Willacy County Tax Assessor Collector improves its services.</p>
30	<p>Closely monitor expenditures and produce a monthly budget report. p. 96</p>	Complete	\$0	\$0	\$0	<p>The superintendent has provided training to all employees in administrative roles. He has given them authority over specific accounts and has held them accountable for submitting monthly balances. Amendments and transfers have been made as needed and the board has been made aware of all these procedures through monthly budget reports.</p>
31	<p>Establish a Budget Planning Committee to identify the district's goals and financial constraints. p. 98</p>	Complete	\$0	\$0	\$0	<p>Using the Site-Based Decision Making Committee instead of a separate budget planning committee, the district conducted a needs assessment in 2002-03 that identified goals, activities and resources needed to reach its goals. All activities have been planned taking into consideration district budgetary constraints. Activities that</p>

						impact student safety and instruction were given first priority while other activities were ranked according to need.
32	Establish a committee of staff and administrators to implement the state health plan for 2002-03. p. 101	Complete	\$0	\$0	\$0	LISD formed a committee to ensure district employees understood the state health plan. Most district employees opted to use their \$1,000 additional money to cover their health insurance while custodians collectively decided to use the funds as supplemental income. In 2003, the 78th Legislature reduced the \$1,000 amount to \$500 and required all employees to use the additional funds toward insurance coverage and not as supplemental income.
33	Sweep the business checking accounts nightly. p. 103	Complete	\$7,585	\$0	\$0	Interest rates paid by the district's depository bank are currently higher than those paid by the state's investment pool. Currently, there is no advantage to sweeping checking accounts nightly; however, the district will consider such action when the market rates change.
<b>Totals-Chapter 3</b>			<b>\$121,397</b>	<b>(\$200)</b>	<b>(\$1,000)</b>	



Chapter 4 - Operations						
34	Develop a facilities master plan. p. 110					The development of a master plan for facilities has been informally discussed with parents, staff, board members and community members. The focus of discussion has been the future uses of the old school buildings and a maintenance plan for the school district. All discussions regarding the development of a facilities master plan have been preliminary.
		In Progress	(\$28,000)	\$0	\$0	
35	Prepare a custodial plan to improve school cleanliness. p. 111					The district implemented a custodial plan starting in March 2003 to improve maintenance of buildings and grounds. Custodians' duties have also been re-defined and modified. One custodian's position has been eliminated because of staffing formulas. Since the school will move to its new building in 2003-04, a new maintenance plan will be developed and implemented to meet changing needs. All maintenance employees will be trained on the new custodial plan.
		In Progress	\$0	\$0	\$0	
36	Use all available commodity	Complete	\$0	\$0	\$0	In order to help lower food costs

	resources to lower food costs to the district. p. 115					after it joined the Region 1 Commodity Cooperative in 2000-01, the district's food services staff placed greater emphasis on aggressively using all commodities provided to LISD. As recommended by the Region 1 Cooperative, LISD continuously looks for ways to match available commodities with the most nutritious meals for children.
37	Develop a bus replacement policy. p. 119					The LISD board adopted a 15-year bus replacement policy at its June 10, 2003 meeting. However, staff and community members have recommended further bus replacements and given priority to the construction of the new school. In addition, the board also decided that in order to maximize fiscal resources, the district should repair the engine of a bus with a good body, rather than purchase one this year.
	<b>Totals-Chapter 4</b>	Complete	\$0	\$0	\$0	
	<b>TOTALS</b>		<b>\$626,437</b>	<b>\$142,365</b>	<b>\$711,825</b>	