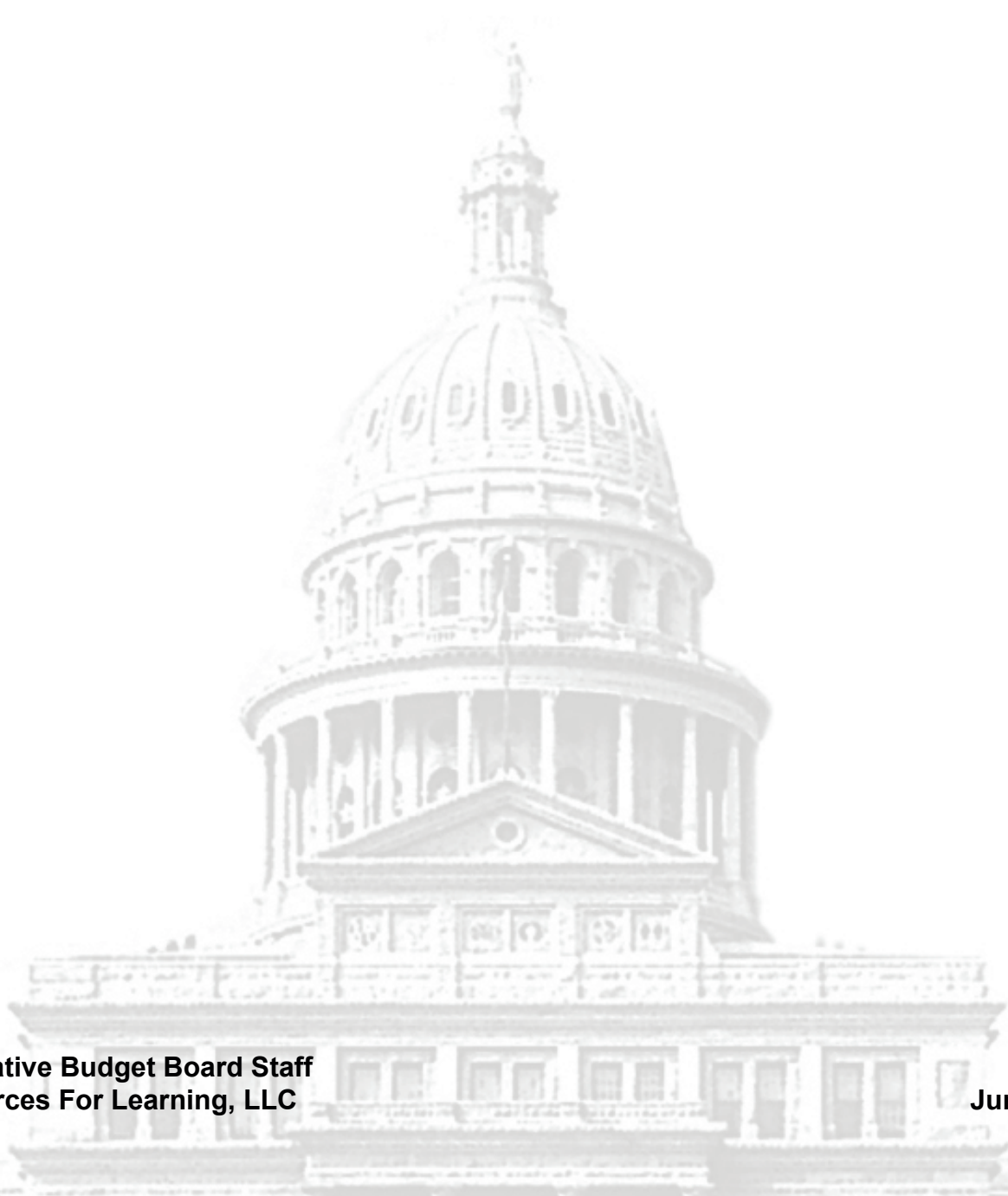




LEGISLATIVE BUDGET BOARD

Luling Independent School District Management and Performance Review



**Legislative Budget Board Staff
Resources For Learning, LLC**

June 2013

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Resources for Learning, LLC**

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June 24, 2013

Mr. Tim Glover
Superintendent
Luling Independent School District

Dear Mr. Glover:

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

The report's recommendations will help Luling ISD 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 Luling ISD.

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

The Legislative Budget Board engaged Resources for Learning, LLC to conduct and produce this review, with LBB staff working in a contract oversight role.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ursula Parks".

Ursula Parks
Director
Legislative Budget Board

cc: Mr. Shane Watts
Ms. Sherri Gibson
Ms. Evelyn Hanson
Mr. Harold Hoffmeister
Mr. Gabriel Ayala
Mr. Mark Symms
Dr. Stan Hartzler

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EXECUTIVE SUMMARY

Luling Independent School District's (Luling ISD's) school performance review notes three commendable practices and makes 67 recommendations for improvement. This Executive Summary highlights the district's significant accomplishments and presents the review team's findings and recommendations. A copy of the full report is available at www.lbb.state.tx.us.

SIGNIFICANT ACCOMPLISHMENT

- ◆ **Luling ISD initiated multiple strategies at the secondary level to increase student academic performance, including implementing block scheduling and a student-to-student mentoring program.** Prior to the appointment of the current high school principal in December 2011, there had been six previous high school principals during a five-year period. These changes in leadership, coupled with high teacher turnover, have minimized long-term focus on discipline and academic progress. Partially due to this instability, Luling High School was rated Academically Unacceptable in two of the past five school years. When the current high school principal arrived in December 2011, he immediately implemented a coordinated set of strategies targeted at improving academic performance. These strategies included lengthening the school day by 30 minutes, implementing modified block scheduling, creating a student-mentoring program, increasing the amount of time students spend in computer labs from approximately 5 percent to approximately 40 percent, and implementing Response to Intervention (RtI). The strategies implemented at Luling High School align with the established best practices, which provide staff with additional time, information, and resources to assess and address student needs. Establishing structures to address student needs will improve student motivation, learning, and preparation for the future, scores on state-mandated testing, and school and district accountability ratings.

SIGNIFICANT RECOMMENDATIONS

DISTRICT ORGANIZATION

- ◆ **Recommendation: Implement strategies to sustain key central office and campus-level administrative**

positions for strong and consistent leadership.

Luling ISD has experienced frequent turnover in leadership resulting in a lack of focus on the vision and direction for the district. There has been a large turnover of superintendents, assistant superintendents and principals in the past five to six years. The current superintendent has only been employed since August 2012. The assistant superintendent of Curriculum and Instruction has been with the district since January 2012, and the middle school and high school principals are both new in their roles for the 2012–13 school year. Except for the Board president, who has served on the Board for five years, all other members have been on the Board three years or less. Three members were up for re-election in May 2013. Lack of tenure in Board membership can also result in a lack of leadership consistency at the district level.

The district's lack of consistent leadership has resulted in inconsistent approaches in the areas of budget development, educational service delivery, facilities planning, maintenance, administrative procedures and campus/district planning. It is critical for the Board to support and retain the existing leadership in order to ensure effective implementation of the curriculum and enhanced instruction, and improve district operations that support student achievement.

The Board of Trustees should work closely with the superintendent to foster a collaborative and collegial district culture that supports district leadership, strong decision-making structures for academic success at the district and campus level, and strategies that ensure retention of staff and district and Board leadership.

- ◆ **Recommendation: Update the organizational chart to reflect current titles, roles and responsibilities and create a cabinet-level structure for district oversight and effective communication.** Luling ISD lacks a clearly defined organizational structure with effective oversight and communication. The district's organizational chart does not match current titles, roles, and responsibilities. Clear roles and responsibilities associated with each position have not been delineated. In reviewing the Luling ISD

organizational chart, three administrative positions appear to include senior staff. These consist of the superintendent, the assistant superintendent of Curriculum and Instruction (curriculum director in the existing outdated chart), and the Chief Financial Officer (CFO). It does not denote if other positions reporting to senior staff on the chart are directors or coordinators. In addition, there seems to be a lack of communication and oversight information related to the management of finances. Without establishing clear reporting expectations and the responsibilities associated with each role listed on the chart, communication issues presently being experienced by the superintendent, senior staff and the Board may continue. Additionally, without clear reporting expectations, it will be challenging for the superintendent, senior staff and the Board to be well informed on budget related issues and processes as well as programs and district operations that report directly to senior staff. A well-defined organization chart with clearly stated roles and responsibilities allows for more effective lines of communication in a school system. Collaborative planning and information sharing within that structure is key to good decision-making and effective professional relationships. Clearly identified roles, responsibilities and protocols are imperative to running an effective and efficient district particularly in responding to Board information requests. Formal structures, such as regular team meetings, established communication protocols, and clearly delineated roles and responsibilities will provide a clearer understanding of initiatives, expectations, and implementation processes.

- ◆ **Recommendation: Assign responsibility for overseeing the human resources function to an upper-level administrator who will attend training and develop policies and procedures that assist in coordinating all HR areas.** Luling ISD human resources (HR) management is not centrally managed, planned, or coordinated and is not guided by comprehensive policies and procedures. The district does not have an upper-level staff member who is assigned responsibility for planning, coordinating, and overseeing HR functions. Without a staff member providing this oversight, the district can be inconsistent in its HR procedures and runs the risk of being non-compliant with state regulations

and federal statutes. Additionally, there are no written procedures to guide staff in implementing HR services in alignment with best practice. Without written guidance, it is difficult for staff to know and understand the district's expectations for completing their responsibilities. Finally, Luling ISD staff who handle HR functions have not had access to training opportunities, such as focused webinars, to develop their understanding of the intricacies of employment and labor law. None of the district staff with HR duties have specific training in HR areas. The district should consider reassigning the duties of setting salaries, salary administration, and managing the district's compensation program from the CFO to an administrator overseeing the HR function. The district should also require this administrator to attend one HR training per year. Total cost for training would be \$2,635 over five years.

- ◆ **Recommendation: Reorganize the Transportation Department by eliminating the coordinator position, and converting the director position from part-time to full-time, while removing transportation responsibilities from the Maintenance director's position.** Luling ISD does not have a job description or a list of duties and/or responsibilities for the positions of Transportation director and coordinator. The Maintenance director currently serves as the Transportation director in addition to his maintenance responsibilities. There are no references to duties, responsibilities, or qualifications related to transportation on the job description of the Maintenance director. The only mention of transportation on the document is that the Maintenance director supervises the Transportation Department. The Transportation coordinator meets all of the identified qualifications while the Transportation director does not. Additionally, while some duties are shared, the coordinator is responsible for all day-to-day operations, such as scheduling, reporting, safety, and student management. The results of not having clearly defined responsibilities and duties and no job description for the Transportation director makes it difficult to evaluate staff, determine lines of authority, and provide appropriate compensation. Additionally, in a district the size of Luling ISD that is transporting 200 students per day, a part-time director (shared with maintenance) and a part-time coordinator (also a bus driver) are

not consistent with effectively operating school district transportation functions. The district should develop and adopt a comprehensive job description for the position of Transportation director and make recommended changes in staffing and eliminate the Transportation coordinator position. Eliminating the Transportation coordinator position would result in a savings of \$7,765 plus benefits of \$464 for a total savings of \$8,229. Expanding the director of Transportation role to a full-time position would cost \$14,667 plus benefits of \$825 for a total cost of \$15,492. Therefore, expanding the role of director of Transportation and eliminating the Transportation coordinator position would result in an annual cost to the district of \$7,263.

- ◆ **Recommendation: Create a full-time Public Education Information Management System (PEIMS) coordinator position to develop and publish PEIMS-related policies and procedures.** Luling ISD lacks a full-time Public Education Information Management System (PEIMS) coordinator and effective policies and procedures to ensure accurate collection and reporting of PEIMS data. Luling ISD's PEIMS coordinator has multiple roles, also serving as the high school registrar and attendance clerk. The PEIMS coordinator is paid the full-time salary for the position. Yet, this individual reports to district administration for the PEIMS role and to the high school principal for the registrar and attendance clerk roles. Furthermore, there is no backup for the PEIMS coordinator position. The PEIMS coordinator indicated that documents are stored throughout the district, and several staff members have reporting responsibilities. The coordinator handles some portions of the reporting process, and no one person seems to have access to required forms, indicating a lack of understanding of the importance of the PEIMS submission process. Accountability from campuses, special programs, the Business Office, and human resources function is unclear. The PEIMS coordinator has a very important and integral role in submitting correct PEIMS data for funding purposes and for the state's accountability system as well. Quality assurance is also lacking which could lead to inadequate source documentation with the areas with the greatest potential for error not being monitored. The PEIMS coordinator has not provided guidance to responsible parties in the

district regarding the data collection and reporting process starting at the campus level through the re-verification process and final submission, and has not identified the points of redundant manual data entry and any other areas of weakness. Luling ISD must develop and use documented PEIMS procedures outlining data collection, review, verification, error correction, submission, and training requirements to improve accuracy in PEIMS data reporting. Luling ISD's PEIMS coordinator should develop a districtwide and campus PEIMS manual and a Leaver manual that encompasses all steps necessary to submit error-free data. These manuals can then be used as a training tool for campuses and departments involved in the PEIMS submission process. As a result, the part-time PEIMS coordinator function should be eliminated. The PEIMS coordinator should only be assigned the tasks applicable to PEIMS, removed from the high school and report directly to the assistant superintendent of Curriculum and Instruction. The additional duties at the high school should be redistributed to other staff. The assistant superintendent of Curriculum and Instruction can then provide daily monitoring of the PEIMS process and respond to the superintendent regarding any requests.

POLICIES AND PROCEDURES

- ◆ **Recommendation: Develop formal standard operating procedures for the Board of Trustees.** Luling ISD has not developed formal operating procedures for the Board of Trustees. Formal operating procedures are important to help new and existing Board members carry out their responsibilities. Board members indicated that because most of the membership had less than three years' experience, they will need ongoing support and training related to their role in district governance. Interviews with Board members and the superintendent indicated that although members attended all required trainings, they had not been involved, as a team, in the development and review of Board operating procedures. The lack of Board operating procedures has resulted in a lack of understanding the role, for Board members, as it relates to key areas such as the budget development process. According to principals and other administrators, the lack of Board operating procedures also contributed to previous

Board members overstepping their roles and pushing boundaries by visiting schools without contacting the superintendent's office first and not following protocols when staff or community members brought issues to them. This sometimes resulted in contentious Board/superintendent relations. The Board and superintendent should review sample documents that identify standard operating procedures for school boards and examples of other districts' board operating procedures to create a document that will guide the work of the Luling ISD Board as it relates to district operations, evaluation of the superintendent, budget planning, program requirements, and role and responsibilities. The Board operating procedures should be used annually during the required new Board member local orientation. The superintendent and Board should develop a calendar/timeframe for the development process of Board operating procedures.

- ◆ **Recommendation: Develop written business operations procedures.** Luling ISD lacks written Business Office operating procedures that clearly communicate the roles and responsibilities of district staff. During the review site visit, several Luling ISD staff appeared confused about the difference between policies, such as those found in the Board Policy Manual, and procedures, which breathe life into policies by providing more detail and specificity. During the review, written procedures for the Business Office were not available. Without written procedures, Luling ISD does not have documentation of standard operating procedures. As a result, Luling ISD personnel communicate changes verbally, and staff outside of the Business Office do not have a written reference to use when they have questions or concerns. The procedures should be aligned with job descriptions and evaluations. The Luling ISD Chief Financial Officer (CFO), with assistance from Business Office staff, should develop procedures for each of the main business operations functions. The procedures should incorporate processes and steps from the administrative software.
- ◆ **Recommendation: Develop procedures for analyzing investments and conducting cash flow forecasting to ensure that the district has appropriate investment strategies and investments.** Luling ISD does not have a process

for systematically analyzing and adjusting its investments to maximize returns. The district does not conduct cash flow forecasting. School districts forecast cash flow for several reasons. According to the CFO, Luling ISD job description the district is responsible for developing "period cash flow analysis to aid in determining cash available for investment and payment of bills." However, the CFO reported that the district does not forecast cash flow because it is not a problem. There are three banks in Luling and the Board wants the district to do business with each of the three banks. As a result of its failure to conduct cash flow forecasting, the district may not be maximizing interest returns on its investments. The Board's desire to conduct business with all three banks in the community may also negatively affect the district's investment returns. Luling ISD should develop cash flow forecasting procedures, and then review the district's investment policy with the assistance of an investment professional, as appropriate, to develop investment strategies that meet the Board's objectives. The superintendent and Board should review the investment strategies and formally approve them.

- ◆ **Recommendation: Establish policies and develop procedures for managing controllable assets and establish a standard process for tracking and disposing of them.** Luling ISD lacks a coordinated approach for asset management. Principals reported some confusion about their responsibilities regarding asset management. One reported that the district does not provide guidance on disposal of assets. The district maintains property insurance against theft and loss of its assets, but it does not have a coordinated approach to safeguarding them. Additionally, Luling ISD's processes for tracking controllable assets differ among departments. The district has not specified the criteria for including an item in a controllable asset inventory, and, in the absence of guidance, most departments do not track them. Campuses and other district departments do not conduct physical inventories or maintain records of controllable assets. These assets include maintenance equipment, equipment used in science laboratories, and equipment for physical education. The district also does not have detailed procedures to guide employees regarding their responsibilities for assets. The district should determine and detail

definitions of controllable assets and create tracking and disposal procedures in writing. The district should use available best practices and guidelines to train staff in the proper handling of district assets. The district should conduct a needs assessment to determine how to best implement these policies and procedures.

PLANNING

- ◆ **Recommendation: Develop a comprehensive three-to five-year strategic plan for the district.** Luling ISD lacks a comprehensive strategic plan to provide direction in meeting the needs of the community and school district across all areas of district operations. The District Improvement Plan (DIP) is the primary document used to guide district activities and initiatives. The plan is developed each year to identify and develop improvement goals, objectives, and strategies to address needs based on analysis of data that focuses on indicators related to student achievement, graduation rates, retention rates, and other federal/state accountability indicators. While the DIP is critical in providing direction for the district, the plan and the process are not structured to provide long-range planning for systemic needs. In Luling ISD, there is no evidence that the district has recently engaged in a comprehensive strategic planning process that addresses other areas of district operations and has included all district stakeholder groups. The superintendent indicated that he would like to start a strategic planning process that addresses the improvement goals for student achievement, development of procedures, salary surveys, facilities, community participation and involvement, and other system needs. The outcome would be a five-year strategic plan that addresses and implements strategies for systemic improvement. A comprehensive strategic planning process builds agreement on district direction, articulates goals for all stakeholders, and assists with the allocation of resources. Not having such a plan in place has resulted in low academic performance, lack of operating procedures, facilities in need of improvement, and a decline in student enrollment. The lack of a plan, coupled with the large turnover in superintendents, has significantly impeded district progress in meeting the needs of Luling ISD students and the community of Luling. The yearlong

planning, design, and development process would require a one-time cost of approximately \$10,000.

- ◆ **Recommendation: Identify leading and lagging indicators, set benchmarks for each indicator each year, and define standards and timelines for collecting and analyzing data.** Luling ISD is not maximizing the use of student performance indicators and benchmarks to further its goal of improved student success. In the most recent five-year period for which data are available, the percentage of students meeting or exceeding the standards on the Texas Assessment of Knowledge and Skills English language arts-reading, mathematics, and science assessments has lagged behind the state average every year for every student group. Low student academic performance has led to unacceptable accountability ratings in both the state and federal accountability systems. District administrators, as part of collaborative district and campus improvement plan processes, should identify their own leading and lagging indicators, set benchmarks for each indicator each year, and define standards and timelines for collecting and analyzing data. Administrators can then use the results of the data analysis to modify intervention strategies, and report progress on leading and lagging indicators to staff, board members, parents, and the public.
- ◆ **Recommendation: Establish a committee of stakeholders to review and update the long-range facilities plan prepared by the external architectural firm and present it to the Board of Trustees for approval and implementation.** The district does not have a long-term facilities improvement plan that has been adopted by the Board of Trustees. In 2010, the district contracted with an external architectural firm and appointed a citizens advisory committee to conduct a comprehensive and productive process to study facility needs and match those needs with student performance issues. The result was a long-term facilities plan designed to enhance student learning. The committee met over a 10-month period and reached consensus on a number of issues that should be addressed. However, this plan was never adopted by the Board and is not currently being implemented. Both the cost expended on the contract, as well as the time and effort of the committee members, are not being maximized as the district does not put this information to use. Further, without a current plan to

drive facilities improvements, district buildings may continue to degrade and deteriorate, becoming unsafe or not up to regulation. Luling ISD should establish a committee of stakeholders to review and update the long-range facilities plan. The committee should conduct a needs assessment of district facilities. This assessment should be used to reevaluate the long-range facilities plan developed in 2010.

- ◆ **Recommendation: Develop and implement a preventive maintenance program.** Luling ISD's facilities are aging, and important maintenance and repairs have often been deferred. Historically, the facilities have not been managed or maintained according to a regular schedule or any particular guidelines, written plans, or directives. There has been little organized supervision and no evidence of aggressive preventive maintenance. The facility maintenance program is designed to be reactive rather than proactive. The district does not have a preventive maintenance program. The Maintenance department deals with emergencies as they occur. Work order requests and completion records in the district's computerized work order system indicate that the Maintenance staff spent most of their work hours completing emergency work orders during November, December, and January of school year 2012–13. The lack of a preventive maintenance program causes the district's facilities and equipment to wear out sooner than it would if they were maintained properly. The maintenance of instructional facilities affects the physical, educational, and financial foundation of the organization and should therefore be a focus of both its day-to-day operation and long-term management priorities. Financially, a preventive maintenance program will result in cost savings in terms of repairs and replacement of equipment. A comprehensive preventive maintenance plan should contain elements such as the purpose of the plan, the district's objectives, and the scope of the program. Also, the plan should contain a description of goals, process, tasks, and scheduling.
- ◆ **Recommendation: Perform a full cost-benefit analysis of the district's Food Services department, as operated through the food service management company (FSMC) contract, to determine if it is possible for the programs to be fiscally self-sustaining.** Luling ISD subsidizes the food service

department annually with local funds. District-paid Food Services department expenses include electricity, water, pest control, and telephone service, including a fax line. The district does not calculate the expenses into the total value of Food Services department expenditures as they are paid through Luling ISD's general fund. In addition, the district provides maintenance and custodial support at no cost to the Food Services department. Also, Luling ISD contracts with a FSMC for a fixed fee per meal or meal equivalent served. The district pays the FSMC \$3.0083 for every \$2.90268 worth of a la carte, adult sales, and catering revenue generated through the Food Service Department, therefore, the district has contracted to lose \$0.10562 for each meal equivalent. In coordination with the FSMC, the district should identify strategies for reducing costs so the operation is profitable. The district should include all Food Services department expenses paid through its general fund in addition to all FSMC fees. If the district does not take control of the financial management of the Food Services department, it will continue to use local funds to support the programs. The fiscal impact annual savings of \$2,830 is based on the difference between revenue and the FSMC fees for the 17 serving days in November 2012.

- ◆ **Recommendation: Collaborate with local and area law enforcement agencies to conduct a public awareness campaign and more aggressive monitoring of driver adherence to regulations regarding stopping while children are being picked-up and dropped off.** Children face dangerous situations when buses are loading or unloading on public roads because of drivers' failure to stop. The most dangerous situations related to transportation in the district occur when students are being picked up in the morning and when they are being dropped off at their homes in the afternoon. According to Luling ISD bus drivers, there has been a significant number of instances when private vehicles have failed to stop as prescribed by law as students are loading or unloading. These situations are particularly hazardous during foggy conditions or when it is raining and roads are slick. The dangers posed to students are significant if the public remains unaware or unresponsive to the requirements of state law for drivers to stop their vehicles when bus lights are flashing and students are walking to or from the

bus. To raise community awareness and increase enforcement of state laws related to children being loaded and unloaded from school buses on public roads, the district should contact the local police department and other law enforcement agencies, such as the Caldwell County Sheriff's Office and the Department of Public Safety for assistance. In order to publicize the Texas Transportation Code, Section 545.066 to residents who drive on the highways, Luling ISD should use the local newspaper and other publications. The district's school resource officer could also be assigned to ride buses on random days in order to observe and issue citations when violators break the law.

- ◆ **Recommendation: Develop and implement a comprehensive disaster preparedness and recovery plan that would allow the district to maintain operations if the network is compromised and rendered inoperable.** Luling ISD does not have a comprehensive disaster recovery plan or a secure environment for the electronics that would allow the district to maintain operations in the event the Network Operations Center is compromised and rendered inoperable. According to the Technology director, Luling ISD has no written backup, storage, and destruction policies for student, teacher, and staff work and files. Though backup of databases, which includes student work, is performed nightly, the practice of overwriting the disks every two weeks requires the district to have a written archive procedure and restore process. The process to overwrite the disks every two weeks appears to be a practice to solve a disk space problem. If this is the case, the district is lacking procedures related to including individual workstation backup for staff. Procedures for student work do not include backup to personal jump-drives. Procedures for backup of staff e-mail accounts are vague. Current district practices are putting the network at risk. The purpose of disaster preparedness and recovery plans is to provide a road map of predetermined actions that will reduce decision-making time during data recovery operations and ensure resumption of critical services at the earliest possible time in the most cost-effective manner. A well-developed disaster recovery document addresses safety issues and loss prevention. The document will help identify the necessary information resources for the continuation of the school district's operations and services following a

disaster. Without a comprehensive disaster recovery plan, the district is at risk of losing critical data and operations in the event of a disaster.

- ◆ **Recommendation: Develop and implement a plan for preventing unauthorized access to instructional facilities during and after school hours.** Inadequate precautions are taken to prevent unauthorized access to buildings during and after school hours presenting safety and security risks for the district. Numerous staff, including the school resource officer, reported that unmonitored access to district buildings due to inadequate locks and broken doors, and a lack of an employee key return policy, created significant security risks in the district. There are 43 operable cameras that are centrally controlled and monitored through the district network. However, staff reported that additional surveillance cameras were needed on the outside of buildings in critical locations. The proximity of the school to neighborhoods and public streets and the lack of barriers heighten the risk of an intruder entering instructional facilities unnoticed. The superintendent should identify the repair or replacement of all exterior locks and doors as a priority emergency maintenance task to be undertaken by the district's maintenance director. In addition, the district should install video cameras at critical locations outside of district the buildings. The cost to the district for the installation of additional outside cameras should be bid by the current supplier and from other sources. The estimated cost of a standard external security eight-camera surveillance system is \$1,600.

GENERAL INFORMATION

- Luling ISD is located on the southern edge of Caldwell County, approximately 58 miles east of San Antonio. A portion of the school district extends southwest into Guadalupe County and serves students primarily from Luling as well as the surrounding rural area.
- The school year 2011–12 district profile as listed in the Academic Excellence Indicator System, AEIS, of the Texas Education Agency (TEA) reflects the following demographics:
 - an enrollment of 1,415 students;
 - 59.6 percent Hispanic;
 - 32.3 percent White;

- 6.1 percent African American
 - 0.2 percent American Indian;
 - 0.1 percent Asian; and
 - 1.6 percent Two or More Races.
- In school year 2011–12, approximately 68.2 percent of students were economically disadvantaged, 54.6 percent were at risk, and 12.2 percent were identified as limited English proficient (LEP).
 - District ratings under the state accountability system have fluctuated over the past five years. While the primary and elementary school have remained Academically Acceptable during the five-year period, ratings for the Junior High and High school have not been consistent, nor has the overall district rating. The junior high school was Academically Unacceptable in 2007, 2008, and 2011. The high school was Academically Unacceptable in 2009 and 2011. Luling ISD overall was rated Academically Unacceptable in 2007, 2009, and 2011. In addition, performance of Luling ISD White, African American, Hispanic, and economically disadvantaged students was below state averages in every content area on the Texas Assessment of Knowledge and Skills (TAKS) for ELA-reading, mathematics, and science over the last five years.
 - The district missed meeting performance standards in the federal accountability system. Under the accountability provisions in the federal No Child Left Behind Act, all public school districts are evaluated for Adequate Yearly Progress (AYP). Luling ISD missed AYP for all student groups in mathematics and reading in 2011 and again in 2012, and is in Stage 1 of School Improvement Program Requirements. Also, as a result of missing AYP for two years or more, each Luling ISD campus must meet requirements for Schools in Need of Improvement.
 - The district has experienced significant turnover in leadership. The current superintendent has only been employed since August 2012. The assistant superintendent of Curriculum and Instruction has been with the district since January 2012, and the middle school and high school principals are both new in their roles for school year 2012–13. Except for the Board president, who has served on the Board for five years, all other Board members have been on

the Board three years or less. Three members were up for re-election in May 2013; one Board member was replaced.

- The district is served by the Regional Education Service Center XIII (Region 13) in Austin.
- The district is represented by Senator Judith Zaffirini, Representative Tim Kleinschmidt, and Representative John Kuempel.

SCHOOLS

The district has three schools and a Disciplinary Alternative Education Program. The schools include:

- Luling Primary/Leonard Shanklin Elementary School (Pre-Kindergarten–Grade 5);
- Luling Junior High School (Grades 6–8); and
- Luling High School (Grades 9–12).

FINANCIAL DATA

- Total actual expenditures (2012): \$11,653,303
- Fund balance as a percent of total budgeted expenditures was 27.7 percent (2011–12) compared to the state average of 21.8 percent.
- Calendar year 2012 Tax Rate: \$1.1152 (\$1.039 Maintenance and Operations and \$0.0762 Interest and Sinking).
- Total wealth per student (2012): \$299,647 with wealth per WADA (2012) at \$237,039.
- In 2012, 52.53 percent of total actual expenditures were spent on instruction, while 55.7 percent of actual operating expenditures were spent on instruction.
- Instructional expenditure ratio (general funds) for 2011–12 was reported at 61.4 percent compared to the state average of 64.8 percent.

The chapters that follow contain a summary of the district's accomplishments, findings, and numbered recommendations. Detailed explanations for accomplishments and recommendations follow the summary and include fiscal impacts.

Each chapter concludes with a fiscal impact chart listing the chapter's recommendations and associated savings or costs for school years 2013–14 through 2017–18.

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

The following table summarizes the fiscal impact of all 67 recommendations in the performance review.

FISCAL IMPACT

	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
Gross Savings	\$158,983	\$158,983	\$158,983	\$158,983	\$158,983	\$794,915	\$14,000
Gross Costs	(\$72,442)	(\$72,817)	(\$52,525)	(\$52,525)	(\$52,525)	(\$302,834)	(\$30,010)
TOTAL	\$86,541	\$86,166	\$106,458	\$106,458	\$106,458	\$492,081	(\$16,010)

CHAPTER 1

DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 1. DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

The Luling Independent School District (Luling ISD) is located in central Texas at the crossroads of U.S. 90 and 183, Texas 80 and 86 and Interstate Highway 10 in Luling, Texas, approximately 58 miles east of San Antonio. The town of Luling sits at the southern edge of Caldwell County on the San Marcos River. Luling ISD serves a rural community in a 115 square mile area.

The town of Luling was established in 1874. It was the far western stop of the Sunset Branch of the Southern Pacific Railroad. As a cattle raising center, with the railroad as a shipping point, the town grew and prospered. It also came to be known throughout the region as an agricultural center with cotton, corn, and turkeys as its principal products. Cotton ruled the local economy until August 9, 1922, when Edgar B. Davis' Rafael Rios No. 1 came in, opening an oil field 12 miles long and two miles wide. It proved to be a part of one of the most significant oil fields discovered in the Southwest. Today in Luling, oil and agriculture are the main industries.

Edgar B. Davis is credited with the donation of the land on which Luling ISD is located. According to historical records, the land was donated sometime in the 1930s. From 1921 to 1986, schools were under the supervision of the city of Luling.

As of 2011, the U.S. Census Bureau reported the population of Luling to be 5,467. There are approximately 2,032 households in Luling, with 2.6 persons per home. The median household income from 2007 to 2011 was \$38,264, and the percentage of the population living at the poverty level was 24.3 percent.

The Academic Excellence Indicator System, AEIS, indicates Luling ISD had an enrollment of 1,415 students during school year 2011–12. According to district reports, Luling ISD has a school year 2012–13 enrollment of 1,399 students, with three school sites that house students in pre-Kindergarten to grade 12. These are: Primary/Shanklin Elementary (705 students), Luling Junior High (314 students), and Luling High School (380 students). According to the 2011–12 Public Education Information Management System (PEIMS), approximately 59.6 percent of Luling ISD students are Hispanic, 32.3 percent are White, 6.1 percent are African American, 0.2 percent are Native American and 0.1 percent

are Asian. The district is a Title I School Wide program with approximately 68.2 percent economically disadvantaged students. Since school year 2007–08, district enrollment has declined by 7.8 percent (from 1,518 students), with the percentage of Hispanic students increasing and the percentages of White and African American students declining.

According to school staff and the Board of Trustees (Board), many students leaving the district are enrolling in a private Catholic school in Shiner, Texas, about 39 miles east of Luling. Interviews with community members and teachers indicate this has been largely due to the turnover in superintendents and principals over the past six years as well as low academic performance and poor state and federal accountability ratings. Luling ISD has had six superintendents in five years. Some parents and teachers felt this occurred due to relations between the Board of Trustees and the superintendent.

Under the state accountability system, the district has received an *Academically Unacceptable* rating from the Texas Education Agency (TEA) every other year from 2006–07 to 2011–12. Pursuant to the federal No Child Left Behind accountability system, the district missed Adequate Yearly Progress (AYP) in school year 2011–12. There are five stages in the School Improvement Program Requirements. Stage 1 is a Title I, Part A campus that has not met AYP for two consecutive years on the same indicator(s). Stage 2 is a Title I, Part A campus that has not met AYP for the third consecutive year and Stage 3, is when the same campus has not met AYP for the same indicator(s) the fourth consecutive year. Each stage has different requirements for improvement. At the present time, Luling High School is on Stage 3 of School Improvement Program Requirements due to not meeting AYP targets in mathematics (performance) and reading (performance) for the fourth year in a row.

The superintendent stated that a TEA monitor was assigned to the district in 2009 due to the district not meeting AYP. The TEA monitor is assisting the district with the development of campus and district level plans, coaching principals and teachers in the areas of data analysis, lesson design and instruction, and conducting classroom “walk throughs” to monitor instruction.

The district is governed by a seven-member Board of Trustees elected at-large (**Exhibit 1–1**). The most senior Board member has served for five years and is the Board president. All other Board members have served three years or less. In 2013, the Board will have three positions open for the May 2013 election. The Board meets monthly on the fourth Monday of each month at 6:00 PM in the Luling ISD Conference and Learning Center, located at 215 E. Bowie Street.

The superintendent oversees the management of the district’s daily operations and is charged with executing Board policies adopted by the Board. Since he arrived at Luling ISD in August 2012, the new superintendent has been a strong and visible force in the implementation of the CSCOPE curriculum at all campuses in the district. He brings to the district a strong knowledge base in the area of curriculum and instruction, having served as assistant superintendent of Curriculum and Instruction in his previous school district. The district’s organization is shown in **Exhibit 1–2**.

The present organizational structure (**Exhibit 1–2**) is one that was previously in place prior to the new superintendent’s arrival. The position identified as curriculum director in the organizational chart provided by the district is now the assistant superintendent of Curriculum and Instruction. This position oversees athletics, technology, special education programs, and federal and state programs. Athletics, technology, and special education programs each have an assigned director.

Along with the superintendent, the assistant superintendent of Curriculum and Instruction provides leadership in the development of the District Improvement Plan (DIP) and

facilitates the work of the district improvement committee. Additionally, he and the superintendent work closely with the campus principals to provide training, leadership, and direction in the implementation of the curriculum. The assistant superintendent of Curriculum and Instruction also trains and supports the development of the Campus Improvement Plan, state and federal program guidelines, staff development, program budgets, and site-based decision-making. He works closely with the TEA monitor to ensure effective implementation of these areas.

The chief financial officer (CFO) oversees the district’s budget and is responsible for two other central office departments. These include the Transportation/Maintenance and Food Service. The Transportation/Maintenance Department has a director assigned to manage and supervise programs and staff. Since 1984, Luling ISD has contracted with a food service management company to operate the Child Nutrition Program.

**EXHIBIT 1–1
LULING ISD BOARD OF TRUSTEES
SCHOOL YEAR 2012–13**

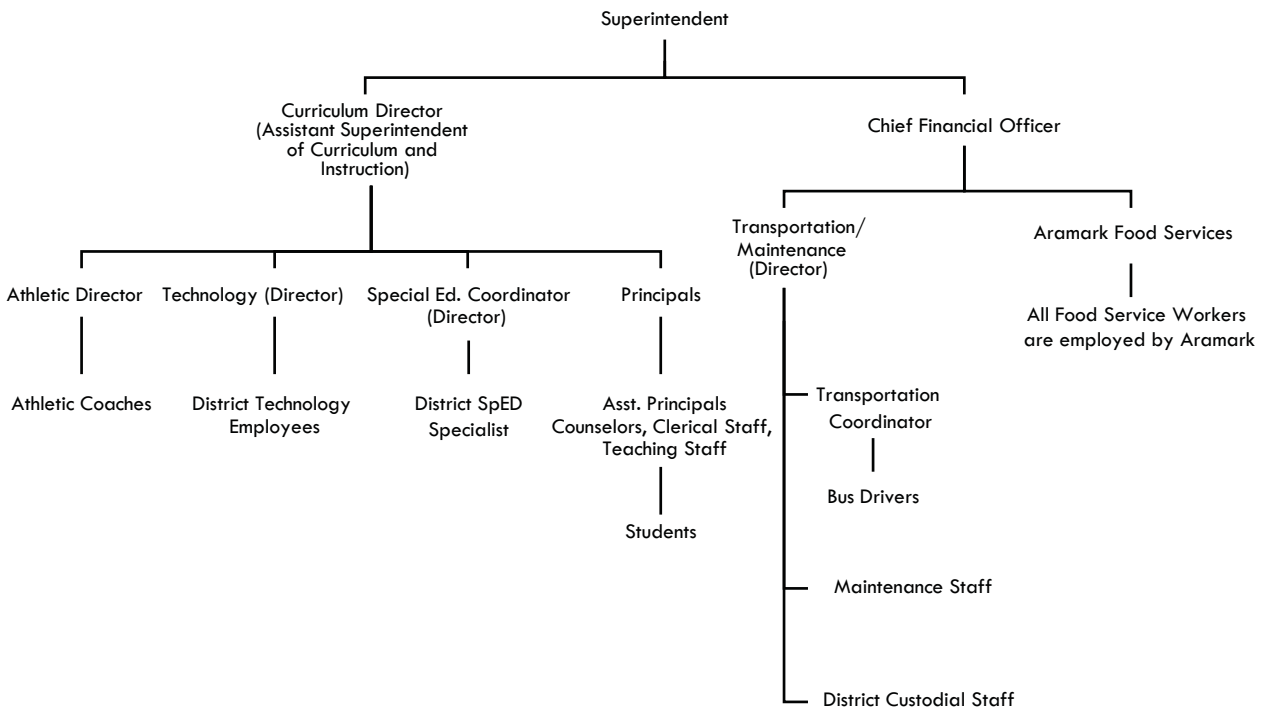
MEMBER	TITLE	TERM EXPIRATION	LENGTH OF SERVICE	PROFESSION
Shane Watts	President	May 2014	5 years	Self-employed - Watts' Produce
Evelyn Hanson	Vice President	May 2016	3 years	Self-employed - Luling Care Center
Karen Svoboda	Secretary	May 2013	3 years	Retired School Teacher
Gabriel Ayala	Member	May 2016	3 years	Retired School Teacher
Sherri Gibson	Member	May 2014	2 years	Self-employed - Cat Ss Co., Inc.
Harold Hoffmeister	Member	May 2014	2 years	Retired Police Officer
Mark Symms	Member	May 2014	2 years	Self-employed - Attorney

NOTES:

- (1) Three Board members were up for re-election in May 2013: Evelyn Hanson, Karen Svoboda, and Gabriel Ayala.
- (2) Dr. Stan Hartzler was elected in May 2013, replacing Karen Svoboda; Evelyn Hanson and Gabriel Ayala were both re-elected in May 2013.

SOURCE: Luling ISD Administration, January 2013.

EXHIBIT 1–2
LULING ISD ORGANIZATIONAL CHART, SCHOOL YEAR 2012–13



SOURCE: Luling ISD Administration, 2012–13.

FINDINGS

- ◆ Luling ISD has experienced frequent turnover in leadership resulting in a lack of focus on the vision and direction for the district.
- ◆ Luling ISD lacks a clearly defined organizational structure with effective oversight and communication.
- ◆ Luling ISD has not developed formal operating procedures for the Board of Trustees.
- ◆ Luling ISD lacks a process to update Board policies and develop administrative procedures to guide staff in the implementation of Board policies.
- ◆ Luling ISD lacks a comprehensive strategic plan to provide direction in meeting the needs of the community and school district across all areas of district operations.
- ◆ Luling ISD has not maximized parent, teacher, and community participation in the site-based decision-making process.

- ◆ Luling ISD has not adhered to the recommended comprehensive process for the evaluation of the superintendent.

RECOMMENDATIONS

- ◆ **Recommendation 1: Implement strategies to sustain key central office and campus level administrative positions for strong and consistent leadership.**
- ◆ **Recommendation 2: Update the organizational chart to reflect current titles, roles and responsibilities and create a cabinet-level structure for district oversight and effective communication.**
- ◆ **Recommendation 3: Develop formal standard operating procedures for the Board of Trustees.**
- ◆ **Recommendation 4: Establish a process to develop and update Board policies and administrative procedures that will guide staff in policy implementation.**
- ◆ **Recommendation 5: Develop a comprehensive three- to five-year strategic plan for the district.**

- ◆ **Recommendation 6: Improve the site-based decision-making process to facilitate stronger participation by parents, teachers, and the community.**
- ◆ **Recommendation 7: Develop a comprehensive superintendent evaluation process.**

DETAILED FINDINGS

FREQUENT LEADERSHIP TURNOVER (REC. 1)

Luling ISD has experienced frequent turnover in leadership resulting in a lack of focus on the vision and direction for the district. Interviews with district staff, the assistant superintendent of Curriculum and Instruction, and Board members indicated that there has been a large turnover of superintendents, assistant superintendents and principals in the past five to six years. The current superintendent has only been employed since August 2012. The assistant superintendent of Curriculum and Instruction has been with the district since January 2012, and the middle school and high school principals are both new in their roles for the 2012–13 school year.

According to current members of the Board of Trustees, teachers, and central office staff, there have been some concerns with previous Board members overstepping their roles and creating conflict between superintendents and the Board. This has resulted in superintendents and other key administrators leaving the district.

Except for the Board president, who has served on the Board for five years, all other Board members have been on the Board three years or less. Three members were up for re-election in May 2013. Lack of tenure in Board membership can also result in a lack of leadership consistency at the district level.

Members of the present Board stated they want to work closely with the superintendent to implement existing goals and support current district and school leadership. A priority goal is improving student achievement. Board members and staff indicated that the superintendent is leading the district in the right direction with the implementation of the curriculum. Teachers, principals, and other staff felt that consistency of leadership was going to be essential for disciplined implementation of the curriculum. While Luling ISD has utilized the curriculum for the past five years, full implementation was not mandated until this year.

The new superintendent has also taken steps to improve relations with the Board. He stated that he has worked with the Board to establish expectations on what should be included in the Board packets. Board members feel the new format gives them clear direction and understanding of actions being recommended by the administration.

The superintendent and assistant superintendent of Curriculum and Instruction have also played a key role in the training of staff and school leaders and in monitoring curriculum implementation at all levels. They also developed a three-year implementation document/guide to facilitate effective and essential implementation of the curriculum. The plan was approved by the Board and the district's Instructional Leadership Team (comprised of school principals, assistant principals and led by the assistant superintendent of Curriculum and Instruction) at the beginning of the school year (2012–13). The superintendent visits schools on a regular basis to provide support and ensure that the curriculum is being implemented and monitored.

With the district's recent *Academically Unacceptable* rating, the superintendent stated that monitoring effective instruction has been his main focus since he arrived. As yet, he has not had an opportunity to focus on other issues due to the district's critical need to address student achievement. He reported that he is aware, however, that other areas of district operations will need to be addressed as it relates to the development of a strategic plan and timeline to improve areas in need.

The district's lack of consistent leadership has resulted in inconsistent approaches in the areas of budget development, educational service delivery, facilities planning, maintenance, administrative procedures and campus/district planning. It is critical for existing leadership to be supported and retained by the Board in order to ensure effective implementation of the curriculum and enhanced instruction and improve district operations that support student achievement and student life on campus.

A Wallace Foundation publication entitled *How Leadership Influences Student Learning* (2013) summarizes key characteristics of successful leadership and identifies what successful districts and leaders must do to promote student achievement, support and develop talented staff, and build a solid organizational structure. The study reports that leadership is a critical factor and catalyst to school turnarounds. Key elements of leadership for academic success include:

- setting direction;
- utilizing data;
- developing people;
- building leadership capacity; and
- distributing leadership.

The authors state: "...neither superintendents nor principals can carry out the leadership role by themselves. Highly successful leaders develop and count on leadership contributions from others in the organization." By establishing decision-making leadership structures at all levels, greater consistency and commitment to organizational goals and their success will occur.

Luling ISD should implement strategies to sustain key central office and campus level administrative positions for strong and consistent leadership. The Board of Trustees should work closely with the superintendent to foster a collaborative and collegial district culture that supports district leadership, strong decision-making structures for academic success at the district and campus level, and strategies that ensure retention of staff and district and Board leadership.

Formal and informal information communication structures that include opportunities for staff and administrators to have discussions with the Board are encouraged. Some of these communication structures could include lunch meetings with two or three Board members on a regular basis; a "Friday Notes" to the Board message keeping members up to date on program and/or operations, initiatives, successes, issues, and school/district-related events; and retreats or work sessions that involve the Board, superintendent, and central office administration (comprised of the assistant superintendent of Curriculum and Instruction, the CFO, and program directors).

To support this work, the Board and superintendent should consider the following:

- conduct a team building training session that includes the Board members and the superintendent;
- establish monthly work sessions with the Board that afford opportunities for senior staff, campus principals and program directors to provide more in depth information to the Board on budget, specific programs, district operations and district initiatives;

- send congratulatory notes to leaders and staff when they lead a successful initiative and/or practice or receive other awards/recognitions; and
- attend state conferences together and devote time for social interaction.

Costs involved with this recommendation have been established in the district's budget and would not result in additional allocation of funds.

DISTRICT ORGANIZATIONAL STRUCTURE (REC. 2)

Luling ISD lacks a clearly defined organizational structure with effective oversight and communication. The district's organizational chart does not match current titles, roles, and responsibilities. Clear roles and responsibilities associated with each position have not been delineated.

In reviewing the Luling ISD organizational chart, three administrative positions appear to include senior staff. These consist of the superintendent, the assistant superintendent of Curriculum and Instruction (curriculum director in the existing outdated chart), and the CFO. It does not denote if other positions reporting to senior staff on the chart are directors or coordinators. A well defined organization chart with clearly stated roles and responsibilities allows for more effective lines of communication in a school system.

Interviews with Board members, the superintendent, assistant superintendent of Curriculum and Instruction and the CFO suggested that there seems to be a lack of communication and oversight information related to the management of finances. Without establishing clear reporting expectations and the responsibilities associated with each role listed on the chart, communication issues presently being experienced by the superintendent, senior staff and the Board may continue. Additionally, without clear reporting expectations, it will be challenging for the superintendent, senior staff and the Board to be well informed on budget related issues and processes as well as programs and district operations that report directly to senior staff. Since the review, the district reports that the CFO has been replaced with an interim CFO resulting in increased communication and oversight related to financial management.

There are two information and decision-making structures evident at the district level: a district Leadership Team comprised of the superintendent, assistant superintendent of Curriculum and Instruction, CFO, and directors from each of the programs/departments and an Instructional Leadership

Team. Interview data suggests that these groups meet on a weekly basis. There is no formal cabinet structure made up of senior staff only such as the superintendent, assistant superintendent of Curriculum and Instruction and CFO.

Data indicated that there exists a lack of effective and efficient communication between and among senior staff which directly inhibits decision making processes and has produced distrust, frustration, and lack of information and/or follow-through. It also affected other levels of the organization and impacts staff morale in a non-productive way. Communication issues have trickled down to the school site level and may also affect Board relations.

Two research studies on characteristics of successful school districts highlight the need for a strong leadership team comprised of the superintendent and senior staff. An article titled *Characteristics of Instructionally Effective School Districts (1988)* outlines how creating a cabinet-level structure, comprised of senior staff only, that meets weekly to review, plan, address, and follow up on district goals, program planning, operations, new initiatives, Board requests, and state mandates allows key decision-makers to see the big picture. This allows for the sharing of information and ideas with the end result being working together on a common agenda to realize high levels of district efficiency.

Luling ISD should update the organizational chart to reflect current titles, roles and responsibilities and create a cabinet-level structure for district oversight and effective communication. The superintendent may establish a cabinet team comprised of the superintendent, assistant superintendent of Curriculum and Instruction, and the CFO that meets weekly on an agenda prepared by the superintendent's office. Collaborative planning and information sharing within that structure is key to good decision-making and effective professional relationships. Clearly identified roles, responsibilities and protocols are imperative to running an effective and efficient district particularly in responding to Board information requests.

Formal structures, such as regular team meetings, established communication protocols, and clearly delineated roles and responsibilities will provide a clearer understanding of initiatives, expectations, and implementation processes. The superintendent can also schedule additional weekly or as-needed one-on-one meetings with senior staff members to receive information, monitor expectations, and address concerns/issues related to specific district programs, budget, or operations.

In preparing the agenda, the superintendent should request discussion items from senior staff that are part of the cabinet. Senior staff should be prepared to address items under their area of responsibility. As needed, the team should invite other staff to the meeting to provide relevant information. As a formal protocol for each meeting, the team should continue summarizing discussion and decisions made and identify weekly action items. The superintendent's office would provide written follow-up communication to senior staff of actions identified at the meeting with the expected timeline agreed upon by the cabinet.

As part of leadership development, the cabinet should also consider devoting time to group learning and professional development through book/article studies and summarizing training and strategies from professional conference/workshops each member attends. The superintendent should also invite cabinet members (senior staff) to lunch with a Board member and/or Board president to promote relationship building and engage in district business conversations as well as take time to have fun together at social events.

The district can implement this recommendation with existing resources.

BOARD OF TRUSTEES OPERATING PROCEDURES (REC. 3)

Luling ISD has not developed formal operating procedures for the Board of Trustees. Formal operating procedures are important to help new and existing Board members carry out their responsibilities.

Current Board members have been diligent about attending required training sessions as evidenced by the recorded number of trainings each Board member attended over the last three years (**Exhibit 1-3**). All Luling ISD Board members have met or exceeded the state-required number of training hours in Tiers 1, 2 and 3.

Tier 1 training is a local district orientation required of new Board members within 60 days of election or appointment as well as three hours of orientation to the Texas Education Code that is usually provided by the Regional Education Service Centers. For Luling ISD, it is provided by Region 13. Additionally, experienced Board members receive Tier 1 training each year on any updates to the Texas Education Code.

Tier 2 training focuses on "Team-building Session/ Assessment of Continuing Education Needs of the Board-

**EXHIBIT 1–3
LULING ISD BOARD OF TRUSTEES, CONTINUING EDUCATION, SCHOOL YEARS 2010–11 TO 2012–13**

2010–11		TIER 1		TIER 2		TIER 3		
MEMBER		NEW	EXP	NEW	EXP	NEW	EXP	TOTAL
Shane Watts			0.00		4.00		16.50	20.50
Evelyn Hanson			0.00		4.00		4.75	8.75
Karen Svoboda			3.00		4.00		15.50	22.50
Gabriel Ayala			3.00		4.00		13.25	20.25
Sherrie Gibson		N/A		N/A		2.00		2.00
Harold Hoffmeister		N/A		N/A		2.00		2.00
Mark Symms		N/A		N/A		2.00		2.00
2011–12		TIER 1		TIER 2		TIER 3		
MEMBER		NEW	EXP	NEW	EXP	NEW	EXP	TOTAL
Shane Watts			3.00		14.00		22.75	39.75
Evelyn Hanson			3.00		14.00		18.75	35.75
Karen Svoboda			3.00		14.00		22.50	39.50
Gabriel Ayala			3.00		14.00	3.00		20.00
Sherrie Gibson			4.00		14.00		18.75	36.75
Harold Hoffmeister			4.00		14.00		18.75	36.75
Mark Symms			4.00		14.00		21.50	39.50
2012–13 (THRU JANUARY 17, 2013)		TIER 1		TIER 2		TIER 3		
MEMBER		NEW	EXP	NEW	EXP	NEW	EXP	TOTAL
Shane Watts			0.00		8.00		0.00	8.00
Evelyn Hanson			0.00		8.00		0.00	8.00
Karen Svoboda			0.00		8.00		0.00	8.00
Gabriel Ayala			0.00		8.00		0.00	8.00
Sherrie Gibson			0.00		8.00		0.00	8.00
Harold Hoffmeister			0.00		8.00		0.00	8.00
Mark Symms			0.00		8.00		0.00	8.00

NOTE: All members of the Board of Trustees are registered to attend the TASB Winter Governance and Legal Seminar in Corpus Christi on March 7–9, 2013; attendance at this seminar will satisfy the continuing education requirements for Tier 3.

SOURCE: Luling ISD Administration, January 2013.

Superintendent Team.” At least three hours of training in this area is required of all Board members each year.

Tier 3 requires an additional 10 hours of continuing education for new Board members and five hours each year for experienced Board members based on assessed needs and the *Framework for Governance and Leadership*.

The majority of the current membership of the Board has served for three years or less. Most of the Board members attend all Board meetings. Board meeting agendas are posted on the district website and in front of central office by the Thursday preceding each Board meeting. Members receive

their Board packets electronically, or they are picked up in the superintendent’s office.

Data collected from attendance at the January 28, 2013, Board meeting included the following observations related to Board protocol, Board agenda/packets and meeting procedures:

- all members were present;
- Board members were prepared and addressed areas needing further clarification and input prior to taking the action recommended by the administration.

- *Roberts Rules of Order* were followed with the Board president facilitating the meeting;
- agendas were detailed and clear with opportunities for community participation; and
- Board packets were well prepared with clear background information needed in order for the Board to take action on the proposed administrative recommendation.

The superintendent works closely with the Board president to develop and review the Board agenda. They have a good working relationship and meet weekly to discuss the Board's information needs. The superintendent's secretary ensures that Board members receive needed and requested information from the superintendent's office.

However, Board members interviewed for this review indicated that because most of the membership had less than three years' experience, they will need ongoing support and training related to their role in district governance. In particular, Board members cited the lack of training in superintendent evaluation, budget planning, and policy updates.

Interviews with Board members and the superintendent indicated that although members attended all required trainings, they had not been involved, as a team, in the development and review of Board operating procedures.

Most of the Board members also indicated that the budget development process was primarily handled by the CFO and presented for Board review and approval in July and August, and they typically had little input. Because there are no district budget planning procedures in place, the only document that guides the budget planning process is a "Budget Calendar" that is prepared by the CFO and provided to the administration and Board.

The lack of Board operating procedures has resulted in a lack of understanding the role, for Board members, as it relates to key areas such as the budget development process. According to principals and other administrators, the lack of Board operating procedures also contributed to previous Board members overstepping their roles and pushing boundaries by visiting schools without contacting the superintendent's office first and not following protocols when staff or community members brought issues to them. This sometimes resulted in contentious Board/superintendent relations.

Standard Operating Procedures, a publication of the Natural Resources Management and Environment Department, defines a standard operating procedure (SOP) as a document that "describes the regularly recurring operations relevant" to an organization. The purpose of SOPs is to carry out the operations of an organization correctly and consistently. The authors offer the following model for the development of standard operating procedures:

- identify the person/department responsible for key procedures/project/document;
- draft and verify written procedures associated with the procedure/project/document;
- authorize the document through formal approval;
- implement and monitor implementation of procedures in the document; and
- regularly review, update, and archive procedures documents.

Furthermore, TASB *Effective Board Practices: An Inventory for School Boards* (2011) identifies characteristics of effective Boards. These include:

- They have a clear picture of what their work entails—the Board understands its job relative to the work of others and knows the tools at the Board's disposal for performing the job.
- They have formalized their work—the Board has developed and follows clearly defined procedures and schedules for doing its work.

Luling ISD should develop formal standard operating procedures for the Board of Trustees. The Board and superintendent should review sample documents that identify standard operating procedures for school Boards and examples of other districts' Board operating procedures to create a document that will guide the work of the Luling ISD Board as it relates to district operations, evaluation of the superintendent, budget planning, program requirements, and role and responsibilities. The Board operating procedures should be used annually during the required new Board member local orientation.

The superintendent and Board should develop a calendar/time frame for the development process of Board operating procedures. Time should be allocated for review of Board operating procedures and practices identified in TASB documents. Development and formal adoption of these procedures will be of great benefit to new Board members as

well as the overall operation of Board functions. This process can be facilitated by the superintendent.

This district can implement this recommendation with existing resources.

BOARD POLICIES AND ADMINISTRATIVE PROCEDURES (REC. 4)

Luling ISD lacks a process to update Board policies and develop administrative procedures to guide staff in the implementation of Board policies. Interviews with Board members indicated that the previous superintendent had begun the process of updating policies and developing administrative procedures with departments and Board members. However, when the superintendent left, the process for updating policies and administrative procedures was not completed or implemented.

Without written administrative procedures, it is difficult to provide clear direction to staff in the implementation of Board policies. While some of the procedures are understood because of an established practice, new and existing staff benefit from needed guidance. For example, the lack of procedures in the area of budget planning and development has caused frustration, limited understanding, and missed opportunities for input.

Another example is the lack of administrative procedures on how to effectively document job performance when the performance of an employee or professional behavior is an issue. Failure to follow established procedures aligned with Board policy in this area can result in potential legal and financial consequences for the district. Since his arrival, the new superintendent has provided administrators with training in this area through the law firm the district uses.

Not having ongoing policy review and updates, as well as clear administrative procedures in place at Luling ISD, has made it difficult for staff to uniformly, effectively, and efficiently implement adopted policies, particularly in the budgeting process.

TASB's *Policy Administrators Guide (2013)* provides suggestions for ways districts can facilitate the development of both Board policies and related administrative procedures. A current practice in districts is to "assign" responsibility for a Board policy or policy area to a department/program and/or individuals responsible for the implementation of those policies. The administrator leading that department/program facilitates the development process of both policy development or updates and administrative procedures

related to the policy. Each department/program then includes stakeholders affected by the policy (e.g., Board members, principals, specialists, and support staff) in the development and review of the administrative procedures. This involvement allows those responsible for its implementation to contribute and gain a stronger knowledge base about the intent of the policy. Additionally, it generates buy-in and ownership for effective implementation. Sequenced, well-defined procedures allow staff to do their job more effectively and efficiently.

Luling ISD should establish a process to develop and update Board policies and administrative procedures that will guide staff in policy implementation. The superintendent should initiate this effort. Initial planning of the process should occur at the cabinet level structure being recommended elsewhere in this report. The Board president will also need to be involved in the preliminary planning of the process so that Board members can take part in policy updating, guided by input from district staff. Assigned district staff should be responsible for the development of the administrative procedures.

A review of sample administrative procedures from other districts can assist those involved in the development process. Staff from each department/program working on policies assigned to them can review examples and determine which of those may result in highly effective practices for inclusion in the administrative procedures.

An effective process for updating Board policies and developing administrative procedures that support the policies includes the following:

- develop timeline and process for updating policies;
- review examples of policies and administrative procedures from other districts/sources;
- divide the labor of assigning policies to the administrator responsible for its implementation;
- establish teams that will work on administrative procedures based on area of responsibility for policy implementation;
- approve policy updates;
- develop and implement procedures;
- monitor implementation of the administrative procedures through cabinet level structure; and

- review and update policies and administrative procedures as needed based on new policies, policy updates, and/or changes in statute or practice.

The district can implement this recommendation with existing resources.

COMPREHENSIVE STRATEGIC PLAN (REC. 5)

Luling ISD lacks a comprehensive strategic plan to provide direction in meeting the needs of the community and school district across all areas of district operations. The District Improvement Plan (DIP) is the primary document used to guide district activities and initiatives. The plan is developed each year to identify and develop improvement goals, objectives, and strategies to address needs based on analysis of data that focuses on indicators related to student achievement, graduation rates, retention rates, and other federal/state accountability indicators. While the DIP is critical in providing direction for the district, the plan and the process are not structured to provide long-range planning for systemic needs. In Luling ISD, there is no evidence that the district has recently engaged in a comprehensive strategic planning process that addresses other areas of district operations and has included all district stakeholder groups. This is primarily due to the significant turnover of superintendents, assistant superintendents of Curriculum and Instruction and principals.

The new superintendent indicated that he would like to start a strategic planning process that addresses the improvement goals for student achievement, development of procedures, salary surveys, facilities, community participation and involvement, and other system needs. The outcome would be a five-year strategic plan that addresses and implements strategies for systemic improvement .

A comprehensive strategic planning process builds agreement on district direction, articulates goals for all stakeholders (central office, schools, and the Board), and assists with the allocation of resources. Not having such a plan in place has resulted in low academic performance, lack of operating procedures, facilities in need of improvement, and a decline in student enrollment. The lack of a plan, coupled with the large turnover in superintendents, has significantly impeded district progress in meeting the needs of Luling ISD students and the community of Luling.

Strategic planning is typically focused five years in the future. It charts a clear course of action based on what the district must accomplish during those years. It is dependent on a

collaborative outlook that includes internal and external factors such as demographics, statistics, economic indicators, policies and technological advances. The planning process includes all stakeholder groups (central office administration, teachers, principals, Board, business community, parents, and students) in the district so that there is buy-in and commitment to the plan when it is implemented. Region 13 provides assistance to districts related to strategic planning. The initial step in the process begins with the Board and superintendent.

The Harvard Family Resource Project (1997) identifies the following questions to guide strategic planning:

- Where are we?
- What does our data say?
- What do we have to work with?
- Where do we want to be? By when?
- How do we get there?

Based on the answers to these questions, strategic plans typically include the following components:

- vision statement;
- mission statement;
- goals; and
- action plans with objectives, strategies, resources, timelines, and assignments of responsibility.

In effective districts, the key to the success of the plan is the involvement of stakeholder groups, support for implementation, and a plan and process for monitoring implementation on an ongoing basis each year. The Board and superintendent are responsible for reporting the progress of the plan to the community and its stakeholder groups.

Luling ISD should develop a comprehensive three- to five-year strategic plan for the district. The superintendent and the Board should initiate the development of a strategic planning process to ensure the improvement of systemic needs in the areas of student achievement, operating procedures, facilities, increased enrollment, recruitment and retention of highly effective teachers and leaders, and community relations.

To implement this recommendation, Luling ISD should do the following:

- form a district team (superintendent, senior staff, Board representative, and program directors) to

develop a timeline for the strategic planning process, identify participants, and facilitate the logistics of the process;

- hire an external facilitator to facilitate all components of the process;
- form a district steering committee (central office administration, teachers, principals, Board, business community, parents, and students) representing all stakeholder groups to identify the overall direction, values, mission, vision, purpose, and goals for the plan;
- establish an action planning committee (one representative from each stakeholder group: superintendent, senior staff, teachers, principals, Board, business community, parents, and students) to write objectives, create strategies, identify resources, and design metrics to measure the outcomes;
- ensure that the plan is written, shared with the public, and posted on the district website for public comment;
- incorporate components of the plan in the annual district and campus improvement plans; and
- develop key highlights of the strategic plan to share with the business community and other organizations.

The year-long planning, design, and development process would involve a one-time cost of approximately \$10,000. The fiscal impact is based on a cost estimate from Region 13. Facilitation services and assistance from Region 13 in ensuring plan completion and implementation is included in this one-time cost.

SITE-BASED DECISION-MAKING PROCESS (REC. 6)

Luling ISD has not maximized parent, teacher, and community participation in the site-based decision-making process. The assistant superintendent of Curriculum and Instruction stated that the TEA Monitor had been instrumental in working with him to develop the District Improvement Plan (DIP) that was approved in June of 2011. The previous DIP had not been revised since 2009 and was designed for a two-year review cycle. A large committee comprised of representatives from the business community, teachers, school administrators, parents and central office was established last year to develop a new DIP.

Principals and the DIP committee have been trained on the site-based decision-making process. The assistant superintendent of Curriculum and Instruction stated that there was some initial push back, but in most cases it is being implemented as required. The current DIP committee has held two meetings in the fall and met in January to review current student data and consider revisions and/or inclusions for the school year 2012–13 DIP.

Interviews with teachers, parents, and principals indicated that while a formal process is in place for site-based decision-making, and training has been provided to principals and site-based decision-making committees, there is limited participation by parents, community members, and teachers when meetings are held. In most cases, teachers are not selected for the campus improvement planning team. Teachers are nominated and asked to volunteer. Additionally, parents are asked to volunteer; however, parents and teachers also indicated that there was limited parent involvement on campus site-based decision-making committees.

The Texas Education Code (TEC), Section 11.251, states:

The Board shall adopt a policy to establish a district- and campus-level planning and decision-making process that will involve the professional staff of the district, parents, and community members in establishing and reviewing the district's and campuses' educational plans, goals, performance objectives, and major classroom instructional programs. The Board shall establish a procedure under which meetings are held regularly by district- and campus-level planning and decision-making committees that include representative professional staff, parents of students enrolled in the district, business representatives, and community members.

In *Site Based Decision Making* (SBDM), Regional Education Service Center X defines the concept as a “process for decentralizing decisions to improve the educational outcomes at every school campus through a collaborative effort ... to improve student achievement.” TEC, Section 11.251, states that the Board of a school district shall ensure that an administrative procedure is provided to clearly define the respective roles and responsibilities of the campus level committee members in the areas of: planning, budgeting, curriculum, staffing patterns, school organization, and staff development.

Skills needed for effective SBDM participation include:

- communication;

- goal setting;
- collaborative abilities;
- prioritizing techniques; and
- consensus-building methods.

Effective implementation of the SBDM will facilitate improved student performance, community involvement, clearly established accountability parameters, higher staff productivity and satisfaction, increased flexibility at the campus level in the allocation and use of resources, and commitment to the implementation of campus improvement plans. The district has begun the process of developing an effective SBDM team by having met, thus far, four times in 2012–13 with a fifth meeting scheduled for May 2013.

Luling ISD should improve the site-based decision-making process to facilitate stronger participation by parents, teachers, and the community. Site-based management and shared decision-making are critical practices for districts and schools, especially those like Luling ISD in need of major efforts to improve student achievement. Effective site-based decision-making provides meaningful authority to schools over staffing, school programs, and budget. Administrators, teachers, and parents understand the critical need to address student achievement in Luling ISD.

The district has begun to provide guidance, training, and leadership in site-based decision-making. However, the superintendent and Board need to establish clear procedures and training opportunities for campus level committees and the district improvement committee that enhances the SBDM process and creates broader participation of teachers, parents, and the community. All campus staff members should receive information and be knowledgeable about the SBDM process. Teachers and parents should be invited to participate (rather than just asked to volunteer) with targeted participation goals, including numbers of participants as well as diverse and equal representation across schools and student groups. Recognition for participants involved in this process can occur at Board meetings and at school events to encourage broader participation.

Key steps in the process include:

- train existing SBDM committees (campus and district);
- establish SBDM procedures for the district through the DIP committee;

- facilitate information sharing on written procedures for all staff through presentations at school sites;
- provide a flowchart of SBDM works and utilize it in making decisions at all levels; and
- invite staff and parents to participate with follow-up.

The district can implement this recommendation with existing resources.

COMPREHENSIVE SUPERINTENDENT EVALUATION PROCESS (REC. 7)

Luling ISD has not adhered to the recommended comprehensive process for the evaluation of the superintendent. With the turnover in superintendents and the short tenure of Board of Trustee members in Luling ISD over the past five to six years, the district has not implemented a comprehensive superintendent evaluation process. The current superintendent and Board members reported that Board members received training from Region 13 and/or information on the superintendent evaluation process at a TASB conference. Interviews with Board of Trustee members and the superintendent indicated that:

- The present Board had never evaluated any of the previous superintendents.
- The new superintendent identified an evaluation instrument that had been used in his previous district for Board consideration.
- The Board reviewed the evaluation instrument at its retreat this year and established that they wanted to use the district's existing goals for the evaluation as the Board felt the needs of the district had not changed much.

Additionally, the district has a Board-adopted policy BJCD (LEGAL) that states that the Board shall appraise the superintendent using the Commissioner's recommended appraisal process and criteria provided in BJCD (EXHIBIT), or the Board has the option to develop its own process and performance criteria. Based on the agreement by the Board to use the evaluation instrument that the superintendent had suggested, the Board conducted a mid-year evaluation of the superintendent at its January 28, 2013 meeting.

The Board's failure to evaluate past superintendents has contributed to the lack of direction and shared expectations in the district as it relates to student performance, financial planning and administrative procedures. These are fundamental indicators that measure the effectiveness of a

district's leadership, organization, and management. The Board and the superintendent establish the direction for the district (and the superintendent) through written goals that are then embedded in the evaluation instrument.

The TASB publication, *Evaluation as a Tool: Developing a Goals-Based Superintendent Evaluation System (2005)*, is an excellent resource for the development of district goals and evaluation instrument design. The publication suggests that a simple way to develop goals for the superintendent evaluation instrument is to consider the list of district goals and ask leadership to respond to the following:

- What will change the district over the next evaluation cycle as a consequence of our having this goal?
- How will we know that the change is succeeding in helping us fulfill the goal?

A discussion can then occur between the Board and superintendent on the superintendent's responses. This discussion will help to ensure priorities are aligned with district needs. A goal statement can then be developed for the evaluation instrument and strategies for attaining the goal identified. Moving to a goals-based system creates a process where the evaluation of the superintendent is an extension of the strategic planning process in the district.

The TASB Leadership Services Division publishes *A New Board Member's Guide to Superintendent Evaluation* for new Board members. TASB also recommends a three-part process in the evaluation of the superintendent. It includes a superintendent goal-setting activity, one formative evaluation during the evaluation process, and a final summative evaluation that includes a written evaluation prepared collaboratively by the Board and shared with the superintendent.

Luling ISD should develop a comprehensive superintendent evaluation process. The evaluation should be conducted at mid-point and annually, and include goal setting and the use of an aligned instrument.

Luling ISD can develop and implement a superintendent evaluation process in a retreat setting or Board work session. Board members should read *A New Board Member's Guide to Superintendent Evaluation* as published by the TASB Leadership Services Division. This activity should include the following goal setting and evaluation instrument components:

- Goal Setting:

- assess current needs in the district and determine if existing goals apply;
- determine long-range priorities/goals (3 to 5 five years) and discuss if these are aligned with district mission and needs;
- identify no more than four to six goals;
- gather consensus from Board members;
- share identified goals with stakeholder groups in the district and facilitate a process for stakeholder buy-in;
- let the goals be the drivers of a strategic planning process;
- develop a long-range plan;
- allocate needed resources/funds for goals implementation in the budget development process; and
- monitor and report on goals implementation and results throughout the year (each quarter).
- Evaluation Instrument:
 - review existing instruments from districts that have a comprehensive, formal process in place;
 - revise or design the evaluation instrument that best fits the district's needs;
 - use the instrument for a mid-year review and annual summative evaluation; and
 - provide the superintendent with a summarized, written evaluation that includes commendations and recommendations related to district goals.

The Luling ISD Board should establish and act on an annual evaluation process for the superintendent position as required by the adopted policy BJCD (LEGAL).

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 1: DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT							
1. Implement strategies to sustain key central office and campus level administrative positions for strong and consistent leadership.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Update the organizational chart to reflect current titles, roles and responsibilities, and create a cabinet-level structure for district oversight and effective communication.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. Develop formal standard operating procedures for the Board of Trustees.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. Establish a process to develop and update Board policies and administrative procedures that will guide staff in policy implementation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5. Develop a comprehensive three- to five-year strategic plan for the district.	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,000)
6. Improve the site-based decision-making process to facilitate stronger participation by parents, teachers, and the community.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Develop a comprehensive superintendent evaluation process.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 1	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,000)

CHAPTER 2

EDUCATIONAL SERVICE DELIVERY

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 2. EDUCATIONAL SERVICE DELIVERY

Educational service delivery is at the heart of a school district’s mission. Accordingly, all facets of district operations, from human resources, to facilities, to financial management, should be organized to support the effective and efficient provision of educational services to students.

Districts provide a variety of programs to meet the varying educational needs of students. These include general education for students K–12, programs for students with special needs such as special education, gifted and talented services, and bilingual education for students who are identified as having limited English proficiency. At the core of all educational programs is a comprehensive curriculum that includes the foundational subjects of mathematics, English language arts-reading, science, and social studies as well as fine arts, career and technology education, physical education, and foreign languages. A standardized curriculum ensures that all district students have the opportunity to learn the same content within each subject area. Professional development is provided to enable teachers to develop their content and pedagogical skills and establish strategies for reaching all students.

Luling Independent School District (Luling ISD) is a small district, serving 1,415 students, the majority of whom are Hispanic and economically disadvantaged. In school year 2011–12, the Luling ISD student population was 59.6 percent Hispanic, 32.3 percent White, and 6.1 percent African American. Approximately 68.2 percent of students were identified as economically disadvantaged and 12.2 percent were identified as limited English proficient (LEP). **Exhibit 2–1** shows Luling ISD demographic data for the past five school years.

As **Exhibit 2–1** shows, while the enrollment has decreased by approximately 6 percent, the proportions of Hispanic, economically disadvantaged, and LEP students the district serves have increased during the past five years, while the percentages of African American and White students decreased.

Luling ISD operates three schools: Luling Primary/Shanklin Elementary School (pre-Kindergarten–grade 5), Luling Junior High School (grades 6–8), and Luling High School (grades 9–12). The district also has a Disciplinary Alternative Education Program (DAEP).

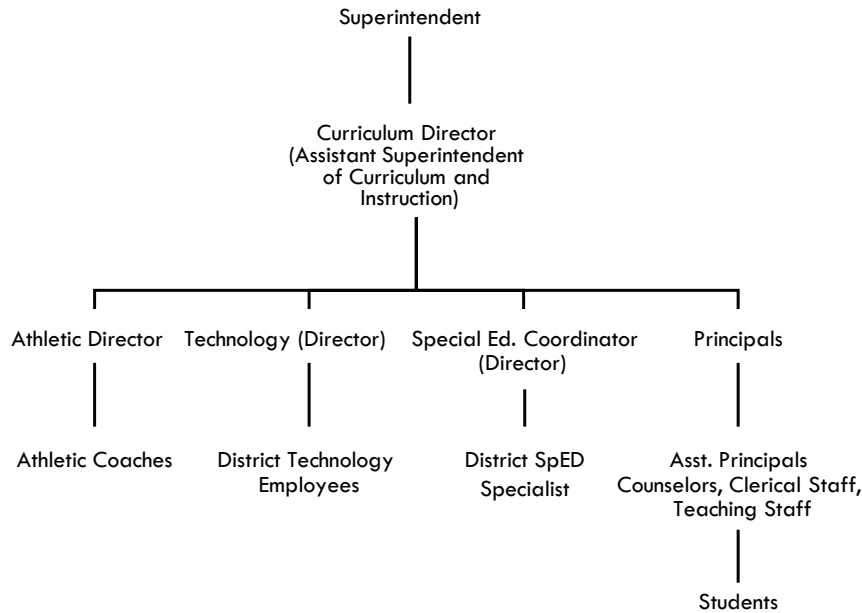
Educational service delivery in Luling ISD is overseen by the assistant superintendent of Curriculum and Instruction who reports to the superintendent. The assistant superintendent has eight direct reports—the athletic director, the Technology director, the Special Education Director, the Instructional Technologist, PEIMS Coordinator, and the three principals who serve the district’s four instructional facilities. See **Exhibit 2–2**.

EXHIBIT 2–1
LULING ISD DEMOGRAPHIC DATA
SCHOOL YEARS 2007–08 TO 2011–12

SCHOOL YEAR	ENROLLMENT	AFRICAN AMERICAN	HISPANIC	WHITE	ECONOMICALLY DISADVANTAGED	LIMITED ENGLISH PROFICIENT
2007–08	1,505	8.2%	54.3%	36.9%	61.9%	10.8%
2008–09	1,476	8.1%	55.2%	36.2%	65.6%	12.1%
2009–10	1,455	8.2%	56.4%	34.9%	62.4%	12.1%
2010–11	1,458	6.3%	59.6%	31.9%	69.2%	12.6%
2011–12	1,415	6.1%	59.6%	32.3%	68.2%	12.2%

SOURCE: Texas Education Agency, Academic Excellence Indicator System (AEIS) 2008–2012 Data Profiles.

**EXHIBIT 2-2
LULING ISD EDUCATIONAL SERVICE DELIVERY ORGANIZATION
SCHOOL YEAR 2012-13**



SOURCE: Luling ISD Administration, January 2013.

ACCOMPLISHMENTS

- ◆ Luling ISD mandated districtwide implementation of a vertically and horizontally aligned curriculum at each grade level to increase student academic performance.
- ◆ Luling ISD initiated multiple strategies at the secondary level to increase student academic performance, including implementing block scheduling and a student-to-student mentoring program.

FINDINGS

- ◆ Luling ISD is not maximizing the use of student performance indicators and benchmarks to further its goal of improved student success.
- ◆ Luling ISD does not provide instructional programming targeting high performers and does not promote college and career readiness opportunities for high school students.
- ◆ Luling ISD has recently added to the continuum of special education services to students, but has not evaluated the impact of program modifications.

- ◆ Luling ISD’s Migrant Education Program is poorly structured and does not allow for effective identification of students and monitoring of services.
- ◆ Luling ISD does not effectively monitor services for English language learners.
- ◆ District staff is not trained in the needs of economically disadvantaged students.
- ◆ Luling ISD library resources are not adequate to meet student needs and support improved student performance.

RECOMMENDATIONS

- ◆ **Recommendation 8: Identify leading and lagging indicators, set benchmarks for each indicator each year, and define standards and timelines for collecting and analyzing data.**
- ◆ **Recommendation 9: Develop and implement a plan with a long-term strategic focus on increasing and improving access to college and career readiness programming and building a college-going culture.**

- ◆ **Recommendation 10: Evaluate special education services, including the cost-effectiveness of the regional cooperative, the effectiveness of the co-teach model, and the role of paraprofessionals.**
- ◆ **Recommendation 11: Develop written policies and procedures for the district’s Migrant Education Program, including staff training on student identification.**
- ◆ **Recommendation 12: Identify additional and ongoing opportunities to provide high quality services for English language learners.**
- ◆ **Recommendation 13: Provide research-based training for all district employees to assist them in meeting the needs of economically disadvantaged students.**
- ◆ **Recommendation 14: Invest in additional library resources.**

DETAILED ACCOMPLISHMENTS

ALIGNED CURRICULUM

Luling ISD mandated districtwide implementation of a vertically and horizontally aligned curriculum K–12 to increase student academic performance. The district has implemented the CSCOPE curriculum, which was developed by the Texas Education Service Center Curriculum Collaborative. According to the CSCOPE website, the curriculum package aligns the material to be taught with the student expectations contained in the Texas Essential Knowledge and Skills (TEKS) in the four core subject areas across grades K–12. When statewide assessments are based on the student expectations in the TEKS, and the curriculum is based on the student expectations in the TEKS, then

students who are taught the curriculum should be prepared for the statewide assessment.

When the curriculum was first introduced to the district, the degree and quality of implementation was left up to individual campus leaders and teachers. Staff reported that the curriculum was implemented with a high degree of fidelity at the junior high school but not at the high school or elementary schools. This uneven implementation meant that district curriculum was not aligned across grade levels or subject areas, decreasing the likelihood of having a positive impact on student achievement.

On July 22, 2012, the Luling ISD Board of Trustees adopted Policy EG LOCAL. This policy authorized the superintendent as the curriculum leader of the district and mandated CSCOPE as the district curriculum. In August 2012, Luling ISD district administrators developed the Luling ISD Curriculum Implementation Document, which outlines expected levels of implementation at all grade levels. That document was approved by the board on August 27, 2012. A memo from the superintendent to the faculty and staff issued on August 27, 2012, stated, “Our scores indicate that the current level of implementation is not maximizing the potential of our students.” The memo lists expectations for following the mandated curriculum with an implementation timeline (see **Exhibit 2–3**). In addition, each campus received a curriculum overview prior to the start of school. The district also committed approximately \$50,000 to a contract with Regional Education Service Center XIII (Region 13) to provide instructional coaching to assist teaching staff with curriculum implementation at each campus.

In *School District Leadership That Works: The Effect of Superintendent Leadership on Student Achievement*, the authors identified five district-level leadership responsibilities that significantly correlate with student achievement:

EXHIBIT 2–3
LULING ISD CURRICULUM IMPLEMENTATION TIMELINE,
SCHOOL YEARS 2012–13 TO 2014–15

2012–13	2013–14	2014–15
ELA - K–5 Scope and Sequence/IFD	ELA - K–12: Lesson Level	ELA - K–12: Lesson Level
ELA - 6–12: Lesson Level		
Math - K–12: Lesson Level	Math - K–12: Lesson Level	Math - K–12: Lesson Level
Science - K–12: Lesson Level	Science - K–12: Lesson Level	Science - K–12: Lesson Level
Social Studies - K–5: Scope and Sequence/IFD	Social Studies - K–12: Lesson Level	Social Studies - K–12: Lesson Level
Social Studies - 6–12: Lesson Level		

NOTE: The CSCOPE Year at a Glance document is referred to as the Scope and Sequence.
SOURCE: Luling ISD Academic Focus document.

establishing goal setting processes, identifying non-negotiable goals for achievement and instruction, ensuring board support of district goals, monitoring for achievement and instruction, and allocating resources to support achievement and instructional goals.

District leadership expects all teachers to implement the curriculum lessons as shown in **Exhibit 2–3**, and principals are tasked with monitoring to ensure the lessons are being followed via classroom walkthroughs. Because the curriculum is designed to create a high degree of student engagement, principals also note levels of student engagement on their walkthroughs. Student data on curriculum-provided assessments and district benchmark assessments are studied by teams of teachers, and teams work together to find ways to re-teach portions of lessons when necessary. District administrators monitor campus administrator performance and expect campus leaders to monitor teacher and student performance. Additionally, funds were designated for professional development for teachers implementing the curriculum. As the district moves forward with its implementation, it will likely be proactive in engaging stakeholders in goal setting.

This action shows a commitment to improving student achievement by both the board and the superintendent.

MULTIPLE STRATEGIES TO INCREASE HIGH SCHOOL STUDENT ACADEMIC ACHIEVEMENT

Luling ISD initiated multiple strategies at the secondary level to increase student academic performance, including implementing block scheduling and a student-to-student mentoring program. Prior to the appointment of the current high school principal in December 2011, there had been six previous high school principals during a five-year period. These changes in leadership, coupled with high teacher turnover, have minimized long-term focus on discipline and academic progress. Partially due to this instability, Luling High School was rated *Academically Unacceptable* in two of the past five school years (2008–09 and 2010–11).

The current high school principal arrived in December 2011. In school year 2012–13 he implemented a coordinated set of strategies targeted at improving academic performance, including the following:

- Lengthening the school day by 30 minutes—students now spend more time in instruction, particularly in core areas such as English and mathematics.

- Implementing modified block scheduling—two days per week students spend longer periods of time (81 minutes, as opposed to 51 minutes per class on regular school days) in core classes such as mathematics, science, and English. This scheduling allows teachers additional time to address areas in which students are struggling and provides more time for in-depth, extended activities such as science labs.
- Creating a student mentoring program—high-performing senior students work with freshman peers needing additional reinforcement of lessons and concepts. Mentors receive training and work with teachers to determine areas of need for their mentees.
- Increasing the amount of time students spend in science labs from approximately 5 percent to approximately 40 percent—this time allows students to develop and use technology skills while working on projects in core areas of instruction.
- Implementing Response to Intervention (RtI). The high school added RtI classes and hired an RtI specialist to conduct professional development and monitor implementation. Two days per week students have an extra 45-minute period at the beginning and end of the school day in which they are grouped by need areas to get additional support. For example, if a student is identified as needing additional instruction in a particular subject area, he or she will be put in a group where the focus is on that subject area during the RtI period. Students identified as English language learners (ELLs) are in a group where they can work on learning English language skills. If students do not need additional instruction, they may participate in electives or enrichment lessons that expand on current topics they are learning about in other classes. The RtI coordinator has an additional planning period in which she conducts observations and meets with teachers to assist them and support their teaching. Schoolwide RtI meetings are conducted each semester in order to assess the progress of students.
- Implementing data-driven intervention and monitoring processes. The district introduced a method for tracking student progress and using data to determine areas of focus for interventions. Prior to school year 2012–13, high school administrators and staff were not using data to identify and address gaps

in student performance. The current administration at the high school has created established measurable benchmarks (comparable to state testing passing rates) that are being tracked and monitored. District and campus leaders are identifying and tracking gaps in performance that must be addressed in order to meet federal and state accountability standards for the current school year.

A model for high school improvement is articulated by High Schools That Work (HSTW), an initiative of the Southern Regional Education Board, which more than 1,200 schools use. Based on the conviction that most students can master rigorous academic and career/technical studies if school leaders and teachers create an environment that motivates students to make the effort to succeed, these schools use the framework of HSTW Goals and Key Practices to raise student achievement and graduation rates. School leaders and teachers can motivate students to achieve at high levels when they expand students' opportunities to learn rigorous academic content, teach content in ways that enable students to see the usefulness of what they have been asked to learn, create supportive relationships, and provide students with the extra help needed to meet challenging course standards. Additionally, school leadership focuses on supporting what and how teachers teach by providing common planning time and professional development aligned with school improvement plans.

The strategies implemented at Luling High School align with the HSTW best practices, which provide staff with additional time, information, and resources to assess and address student needs. Establishing structures to address student needs will improve student motivation, learning, and preparation for the future, increasing scores on state-mandated testing, and positively impact school and district accountability ratings.

DETAILED FINDINGS

MONITORING STUDENT PERFORMANCE (REC. 8)

Luling ISD is not maximizing the use of student performance indicators and benchmarks to further its goal of improved student success. Current leadership is focused on bringing consistency and accountability to the district and has initiated a variety of steps to improve performance. These steps include implementing a mandatory curriculum, introducing processes to support teacher and administrator analysis of student benchmark assessment data aligned with the mandatory curriculum, and establishing a formal intervention program for students at risk of failing. Data analysis processes have become quite detailed. Each campus uses Eduphoria software to disaggregate federal, state, and local data. Data are examined by student group and objective/student expectation during Professional Learning Community meetings at each campus.

Changes in LISD leadership at both the district and campus levels have caused confusion and a lack of accountability for student performance. The district has had six superintendents in the last five years. In the most recent five-year period for which data are available, the percentage of students meeting or exceeding the standards on the Texas Assessment of Knowledge and Skills (TAKS) English language arts (ELA)-reading, mathematics, and science assessments has lagged behind the state average every year for every student group.

Exhibits 2–4 through **2–6** show the percentage of students who met or exceeded performance standards on the TAKS for ELA-reading, mathematics, and science over the five-year period, school years 2006–07 to 2010–11. Across content areas, performance of Luling ISD White, African American, Hispanic, and economically disadvantaged students was below state averages in every content area in each year. As shown in **Exhibit 2–4**, in ELA-reading, Luling ISD performance held

EXHIBIT 2–4

LULING ISD PERCENTAGE OF STUDENTS MEETING OR EXCEEDING STANDARDS ON STATEWIDE ELA-READING ASSESSMENT SCHOOL YEARS 2006–07 TO 2010–11

SCHOOL YEAR	STATE ALL	LULING ISD ALL	STATE AFRICAN AMERICAN	LULING ISD AFRICAN AMERICAN	STATE HISPANIC	LULING ISD HISPANIC	STATE WHITE	LULING ISD WHITE	STATE ECON DIS	LULING ISD ECON DIS
2006–07	89%	76%	84%	57%	84%	73%	95%	84%	83%	70%
2007–08	91%	84%	87%	73%	87%	81%	96%	90%	86%	80%
2008–09	91%	82%	88%	72%	88%	78%	96%	91%	87%	78%
2009–10	90%	79%	87%	64%	87%	76%	96%	86%	86%	75%
2010–11	90%	79%	86%	68%	87%	75%	95%	87%	85%	75%

SOURCE: Texas Education Agency, AEIS 2007–2011 Data Profiles.

fairly steady, showing only small increases in students who met the TAKS standard with African American students making the largest gains. **Exhibit 2–5** shows somewhat larger gains in mathematics, particularly among Hispanic, African American, and economically disadvantaged students. As shown in **Exhibit 2–6**, Luling ISD students made significant improvement in their achievement in science with African American students making the largest gains from 26 percent meeting standards in school year 2006–07 to 56 percent in school year 2010–11.

Exhibits 2–4 through **2–6** are also informative in looking at gaps in performance between student groups within the district. While gaps exist at the state level, with the overall and White populations outperforming African American, Hispanic, and economically disadvantaged student groups, these gaps also exist in Luling ISD and are considerably larger in some cases. For example, statewide the gap between White and African American performance on ELA-reading in 2010–11 was 9 percent, while the gap at Luling ISD between White and African American student performance was 19 percent. A similar sized gap exists in mathematics and is even larger in science. Although the performance of African

American students in Luling ISD is improving, significant achievement gaps remain.

Low student academic performance has led to unacceptable accountability ratings in both the state and federal accountability systems. District ratings under the state accountability system have fluctuated over the past five years. While the primary and elementary schools have remained *Academically Acceptable* during the five-year period, ratings for the secondary schools have not been consistent, nor has the overall district rating. (In 2012, Texas campuses and districts were not rated because a new accountability system was in the process of being developed.) **Exhibit 2–7** shows state accountability ratings for the district and each of the campuses from 2007 to 2011. Note that Luling Primary/Shanklin Elementary School was previously two separate schools. However, in 2011 the two campuses were combined into one primary school serving students in pre-Kindergarten through grade 2, so there were no tested grades at the primary school that year.

The district has also missed meeting performance standards in the federal accountability system. Under the accountability provisions in the federal No Child Left Behind Act, all public

EXHIBIT 2–5
LULING ISD PERCENTAGE OF STUDENTS MEETING OR EXCEEDING STANDARDS ON STATEWIDE MATHEMATICS ASSESSMENT
SCHOOL YEARS 2006–07 TO 2010–11

SCHOOL YEAR	STATE ALL	LULING ISD ALL	STATE AFRICAN AMERICAN	LULING ISD AFRICAN AMERICAN	STATE HISPANIC	LULING ISD HISPANIC	STATE WHITE	LULING ISD WHITE	STATE ECON DIS	LULING ISD ECON DIS
2006–07	77%	64%	64%	42%	71%	56%	87%	77%	69%	58%
2007–08	80%	70%	69%	45%	75%	65%	89%	83%	74%	65%
2008–09	82%	70%	71%	46%	78%	63%	90%	86%	76%	64%
2009–10	84%	71%	74%	61%	81%	65%	91%	82%	79%	65%
2010–11	84%	69%	75%	50%	81%	66%	91%	79%	79%	65%

SOURCE: Texas Education Agency, AEIS 2007–2011 Data Profiles.

EXHIBIT 2–6
LULING ISD PERCENTAGE OF STUDENTS MEETING OR EXCEEDING STANDARDS ON STATEWIDE SCIENCE ASSESSMENT
SCHOOL YEARS 2006–07 TO 2010–11

SCHOOL YEARS	STATE ALL	LULING ISD ALL	STATE AFRICAN AMERICAN	LULING ISD AFRICAN AMERICAN	STATE HISPANIC	LULING ISD HISPANIC	STATE WHITE	LULING ISD WHITE	STATE ECON DIS	LULING ISD ECON DIS
2006–07	71%	58%	56%	26%	61%	52%	85%	73%	60%	48%
2007–08	74%	63%	61%	42%	66%	55%	87%	79%	63%	53%
2008–09	78%	69%	66%	49%	70%	62%	89%	83%	68%	60%
2009–10	83%	69%	75%	61%	78%	59%	92%	82%	76%	59%
2010–11	83%	75%	74%	56%	78%	68%	92%	89%	76%	69%

SOURCE: Texas Education Agency, AEIS 2007–2011 Data Profiles.

**EXHIBIT 2-7
LULING ISD STATE ACCOUNTABILITY RATINGS
2007 TO 2011**

CAMPUS	2007	2008	2009	2010	2011
All Schools	AU	AA	AU	AA	AU
High School	AA	AA	AU	AA	AU
Junior High School	AU	AU	AA	AA	AU
Elementary School	AA	AA	AA	AA	AA
Primary School	AA	AA	AA	AA	N/A

NOTES:

- (1) For school year 2011 the primary school's accountability ratings are joined with the elementary school as these became one campus.
- (2) AU = Academically Unacceptable; AA = Academically Acceptable.

SOURCE: 2011 District Accountability History, Texas Education Agency, Performance Reporting.

school districts are evaluated for Adequate Yearly Progress (AYP). Luling ISD missed AYP for all student groups in mathematics and reading in 2011 and again in 2012 and is in Stage 1 of School Improvement Program Requirements. **Exhibit 2-8** shows AYP ratings for student performance in reading/ELA and mathematics for the years 2008 to 2012.

Exhibit 2-9 shows the status of each campus in terms of its federal accountability ratings. As a result of missing AYP for two years or more, each Luling ISD campus must meet requirements for Schools in Need of Improvement. A Title I, Part A campus that has not met AYP for the second consecutive year, such as Luling High School and Luling

Elementary, must, among other requirements, revise its Campus Improvement Plan within three months to cover a two-year period. This revision should be done in collaboration with parents, school staff, the district, and outside experts.

A Title I, Part A campus identified for Stage 2 School Improvement Planning (SIP) in the previous school year that subsequently misses AYP for the same indicator for the fourth consecutive year then moves into Stage 3 as is the case with Luling High School. The school then goes into corrective action, a significant intervention on a campus to correct the continued inability of the campus to make adequate progress toward the goal of all students becoming proficient in reading and mathematics. A campus in Stage 3 requires the district to take greater control of campus management and to have a more direct impact in its decision-making. Taking corrective action is designed to substantially increase the likelihood that all students enrolled in the campus will meet or exceed the state's proficiency levels of achievement.

The past performance on the TAKS and its reflection in state and federal accountability systems are particularly important in light of the new, more rigorous state assessment, the State of Texas Assessments of Academic Readiness (STAAR), which was first administered in 2012. These results have not been used for district accountability ratings, and passing standards have not yet been set. For the first year of implementation, results were reported for grades 3-8 as indicators of preparation for the next grade or course. "Unsatisfactory" means the student is not prepared, "satisfactory" means sufficiently prepared, and "advanced"

**EXHIBIT 2-8
LULING ISD ADEQUATE YEARLY PROGRESS RATINGS
SCHOOL YEARS 2007-08 TO 2011-12**

SCHOOL YEAR	AREA	ALL STUDENTS	AFRICAN AMERICAN	HISPANIC	WHITE	ECO DIS	SPECIAL EDUCATION	LEP
2007-08	Reading/ELA	Met	Met	Met	Met	Met	Missed	Met
	Math	Met	Missed	Met	Met	Met	Missed	Met
2008-09	Reading/ELA	Met	Met	Met	Met	Met	N/A	Met
	Math	Met	Met	Met	Met	Met	N/A	Met
2009-10	Reading/ELA	Met	N/A	Met	Met	Met	N/A	Met
	Math	Met	N/A	Met	Met	Met	N/A	Met
2010-11	Reading/ELA	Missed	N/A	Missed	Met	Missed	Missed	Missed
	Math	Missed	N/A	Missed	Met	Missed	Missed	Missed
2011-12	Reading/ELA	Missed	N/A	Missed	Missed	Missed	Missed	Missed
	Math	Missed	N/A	Missed	Met	Missed	Missed	Missed

NOTE: N/A indicates the group was Not Evaluated for AYP due to not meeting minimum size criteria or the measure is not applicable.
SOURCE: Texas Education Agency, AYP District Data Tables, Final 2008-2012 Data Tables.

**EXHIBIT 2-9
LULING ISD ADEQUATE YEARLY PROGRESS RESULTS
2012**

CAMPUS	2012 AYP STATUS	AREAS MISSED	2012-13 TITLE I SIP REQUIREMENTS
High School	Missed AYP	Reading (Performance) and Mathematics (Performance)	Stage 3
Junior High School	Missed AYP	Reading (Performance) and Mathematics (Performance)	Stage 1
Elementary School	Missed AYP	Reading (Performance) and Mathematics (Performance)	Stage 1

SOURCE: Texas Education Agency, Final 2012 AYP Results.

means well prepared for the next grade or course. Luling ISD results for grades 3-8 in the first administration are shown in **Exhibit 2-10**.

While concerns were expressed statewide about STAAR results, **Exhibit 2-10** shows Luling ISD has not significantly improved. Social studies performance on the STAAR is a particular concern as passing rates were previously typically so high on the TAKS that they were often not included in performance analyses, as is the case earlier in this chapter.

The Mid-Atlantic and Appalachia Regional Comprehensive Centers provide implementation indicators to be aligned with specific interventions to monitor for intended outcomes. They suggest two types of indicators to monitor. The first are leading indicators, which are the starting point for changes in district performance. These indicators include the following:

- number of minutes within the school year;
- student participation rate on state assessments in ELA-reading and in mathematics by student population;
- dropout rate;
- student attendance rate;
- number and percentage of students completing advanced coursework;
- number of discipline incidents;

- number of truanancies;
- distribution of teachers by performance level on teacher evaluation system; and
- teacher attendance rate.

Lagging indicators will show retrospectively the effect of interventions on leading indicators. These include the following:

- AYP status,
- AYP targets the school and district met and missed,
- state accountability status,
- percentage of students at or above proficiency level on state assessments,
- percentage of LEP students who attain English language proficiency,
- graduation rates, and
- college enrollment rates.

District administrators, as part of collaborative district and campus improvement plan processes, should identify leading and lagging indicators, set benchmarks for each indicator each year, and define standards and timelines for collecting and analyzing data. Administrators can then use the results

**EXHIBIT 2-10
LULING ISD STAAR RESULTS GRADES 3-8
SCHOOL YEAR 2011-12**

SUBJECT	STUDENTS TESTED	PERCENTAGE UNSATISFACTORY	PERCENTAGE SATISFACTORY OR ADVANCED
Reading	395	40.0%	60.0%
Mathematics	387	45.0%	55.0%
Writing	186	49.5%	50.5%
Social Studies	93	62.4%	37.6%
Science	200	46.0%	54.0%

SOURCE: Texas Education Agency, 2013.

of the data analysis to modify intervention strategies, and report progress on leading and lagging indicators to staff, board members, parents, and the public.

The focus on full implementation of an aligned curriculum is an important first step toward stability in the educational environment that will encourage student success. Developing a detailed monitoring plan with goals for leading and lagging indicators will allow the district to assess progress toward goals in the long term and begin to increase stability across the district.

The Board of Trustees supports the steps that administrators have taken thus far to stabilize and improve the district. It is important that the board continues this level of support over the next several years when the district will implement significant changes to improve student performance. Continuing to routinely share data on performance indicators with the board and the community will solidify the support district leadership needs as it continues to implement changes to improve student achievement.

The district can implement this recommendation with existing resources.

COLLEGE AND CAREER READINESS PROGRAM (REC. 9)

Luling ISD does not provide instructional programming targeting high performers and does not promote college and career readiness opportunities for high school students. Numerous sources indicate that the district has not promoted a college-going culture or provided adequate or challenging academic opportunities for its higher performing students. Gifted and talented (G/T) and other advanced academics services are inconsistent or lacking. There is also a lack of Career and Technical Education (CTE) courses available.

Luling ISD does not have a long-term strategic plan in place to foster a college-going, career-oriented culture and ensure that students are being served in this area. Luling ISD also lacks a designated coordinator for advanced academics or CTE to oversee programs, monitor implementation, and ensure staff is adequately trained. These tasks are currently the responsibility of the high school principal.

GIFTED AND TALENTED PROGRAM

District administrators acknowledged that Luling ISD is out of compliance with state requirements related to G/T programs. The Texas Legislature mandates that every district have a G/T program for each grade level. Additionally, Texas Administrative Code (TAC), Section 89.2 states it is

mandatory for school districts in Texas to ensure that G/T teachers meet the following training requirements:

1. prior to assignment in the program, teachers who provide instruction and services that are a part of the program for gifted students have a minimum of 30 hours of staff development that includes nature and needs of G/T students, assessing student needs, and curriculum and instruction for gifted students;
2. teachers without training required in paragraph (1) of this section who provide instruction and services that are part of the G/T program must complete the 30-hour training requirement within one semester;
3. teachers who provide instruction and services that are a part of the program for gifted students receive a minimum of six hours annually of professional development in gifted education; and
4. administrators and counselors who have authority for program decisions have a minimum of six hours of professional development that includes nature and needs of G/T students and program options.

A G/T program is in place at Luling Primary/Shanklin Elementary, providing programming in Kindergarten through grade 5, but identification materials are outdated, and administrators indicated they knew of students who should qualify for the program but who had not been identified for participation. Teachers also have not received adequate professional development opportunities to ensure they meet TAC training requirements of 30 hours of initial G/T training. Since the time of the review, Luling ISD reports that a budget amendment to provide G/T training is expected to be approved in summer 2013.

ADVANCED PLACEMENT, ADVANCED COURSES, AND DUAL ENROLLMENT

At the high school level, Luling ISD does not provide instructional programming that enables students to be college ready in terms of attaining college credit before graduating from high school.

In the past, Luling High School has offered limited Advanced Placement (AP) courses for grade 12 students, largely due to lack of staff with appropriate training. However, additional AP classes were added in school year 2012–13, and the AP program was expanded to include students in grade 11. Also, courses at Luling Junior High School that were previously labeled as “Honors” courses were renamed as “pre-AP” courses. However, there is no strategic plan in place to

monitor the rigor of these courses, ensure that teachers have had appropriate training, increase the number of pre-AP and AP course offerings, or improve the numbers of students taking AP exams and receiving college credit.

Exhibit 2–11 shows the percentage of Luling ISD students taking Advanced Placement/International Baccalaureate (AP/IB) tests compared to students in the state and region.

**EXHIBIT 2–11
ADVANCED PLACEMENT / INTERNATIONAL
BACCALAUREATE BY STATE, REGION, AND DISTRICT
SCHOOL YEARS 2007–08 TO 2010–11**

SCHOOL YEAR	STATE	REGION 13	LULING ISD
2007–08	20.9%	28.1%	4.1%
2008–09	21.2%	29.6%	0.0%
2009–10	22.7%	30.9%	1.2%
2010–11	24.0%	31.8%	8.4%

SOURCE: Texas Education Agency, AEIS data 2008–2011.

Luling ISD also offers a limited number of dual credit courses. Prior to school year 2012–13, dual credit opportunities were available for students in grade 12 only in limited subjects. In school 2012–13, the district hired a dual credit English teacher and expanded dual credit opportunities to students in grade 11. The dual-credit program is expanding in order to meet state requirements, but there is no strategic plan in place to ensure the program provides a high level of rigor and is meeting student needs

As shown in **Exhibit 2–12**, Luling ISD students are not completing advanced courses and dual credit courses when compared to students in the state and region. Additionally,

**EXHIBIT 2–12
ADVANCED COURSE/DUAL CREDIT COMPLETION RATES
BY STATE, REGION, AND DISTRICT
SCHOOL YEARS 2007–08 TO 2010–11**

SCHOOL YEAR	STATE	REGION 13	LULING ISD
2007–08	23.1%	24.3%	12.3%
2008–09	24.6%	25.8%	18.6%
2009–10	26.3%	27.3%	13.2%
2010–11	30.3%	31.5%	15.4%

NOTES:

- (1) Texas Education Agency generally defines advanced courses as Advanced Placement, International Baccalaureate, and honors, and courses included in Community College General Academic Course Guide Manual (Part One).
- (2) Data are presented for the class of 2010–11, the latest year for which data are available.

SOURCE: Texas Education Agency, AEIS data 2008–2011.

there is an upward trend in completion rates noticeable for students statewide and in Region 13 that is not evident in Luling ISD.

Luling ISD is not meeting regulations set forth in the Texas Education Code (TEC), Section 28.009, which articulates requirements for dual credit programs. TEC states the following:

Each school district shall implement a program under which students may earn the equivalent of at least 12 semester credit hours of college credit in high school. On request, a public institution of higher education in this state shall assist a school district in developing and implementing the program. The college credit may be earned through:

1. international baccalaureate, advanced placement, or dual credit courses;
2. articulated postsecondary courses provided for local credit or articulated postsecondary advanced technical credit courses provided for state credit; or
3. any combination of the courses described by Subdivisions (1) and (2).

**SCHOLASTIC ASSESSMENT TEST/
AMERICAN COLLEGE TESTING**

Exhibit 2–13 shows that Luling ISD students have been taking the Scholastic Assessment Test (SAT) and the American College Testing (ACT) exam in similar proportions to students in the state and region in recent years. However, a lower number of Luling ISD students are scoring at or above criterion on these tests, indicating they are not prepared for college-level courses. As a result, it is less likely they will be accepted to a four-year college or university than their peers in the region and state.

Luling High School offered a “college prep” course in its course schedule for school year 2012–13 that included some SAT/ACT prep and information about applying to college and financial aid, but there was not a high level of participation by students.

CAREER AND TECHNICAL EDUCATION (CTE)

Prior to school year 2012–13, Luling ISD offered few opportunities for students in career and technical education (CTE). In school year 2012–13, the district offered three classes, thereby meeting requirements set by the *Texas State Plan for Career and Technical Education 2008–2013* for a minimum of three CTE programs of study in three of the 16 federally approved career clusters. However, Luling ISD does

EXHIBIT 2–13
SAT/ACT RESULTS BY STATE, REGION, AND DISTRICT FOR STUDENTS
CLASS OF 2008 TO CLASS OF 2011

CLASS	STATE		REGION 13		LULING ISD	
	TESTED	AT/ABOVE CRITERION	TESTED	AT/ABOVE CRITERION	TESTED	AT/ABOVE CRITERION
2008	65.0%	27.2%	72.4%	36.2%	63.3%	16.0%
2009	61.5%	26.9%	68.2%	36.6%	68.0%	19.6%
2010	62.6%	26.9%	66.3%	37.4%	63.8%	10.0%
2011	68.9%	25.7%	79.5%	36.0%	50.0%	11.4%

SOURCE: Texas Education Agency, AEIS data 2009–2012.

not yet have a documented long-term plan for implementing a strategic CTE program. In addition, the requirement set forth by the U.S. Department of Education in the Carl D. Perkins Career and Technical Education Improvement Act of 2006 - Public Law 109-270 requires CTE programs to have high-quality standards and clearly articulate a pathway to a well-paying, in-demand occupation. Luling ISD's CTE program is not that well developed.

For both advanced academics and CTE, it is unclear if Luling ISD staff teaching currently offered courses have the necessary certifications mandated by the State Board for Educator Certification as many appear to be expired. It is also unclear if there is a plan to train or recruit additional staff to increase the number and quality of CTE offerings available to students. District staff has indicated that the current focus of improvement efforts is on meeting or exceeding standards on state-mandated testing, and college and career readiness is not the current priority. However, a lack of focus on advanced academics and college and career preparation sends a message of low expectations and lowers the level of rigor in instruction.

Hidalgo ISD was recognized in TEA's Best Practices Clearinghouse for its effort to establish an early college high school and improve advanced course/dual enrollment completion rates for students in the district. The strategies that led to success in meeting district goals included the following:

- phasing in a full CTE career pathways program;
- establishing agreements with area colleges to provide students access to dual enrollment and/or locally articulated college courses and technical certification programs;
- sending middle and high school teachers to AP training to increase rigor across the curriculum;

- providing a master's degree professional development incentive to increase the number of dual enrollment courses that could be taught by high school staff on campus; and
- requiring all middle school students to take a class to explore career options, engage in career planning, and choose a career pathway to pursue.

According to TEA, research-based best practices implemented by Hidalgo ISD include the following:

- intervening early when students are developing their college and career readiness aspirations;
- emphasizing rigor and high expectations for all students, along with appropriate counseling and other supports;
- collaborating with postsecondary institutions, economic development agencies, and employers to help create smoother transitions to college and the workforce;
- using the U.S. Department of Education career cluster designations and implementing them based on student interests and career goals;
- ensuring that all students, including those from underrepresented racial/ethnic minority groups and lower income families, have access to high-quality high school courses;
- implementing dual-credit, tech prep, CTE, career academies, and college prep programs; and
- providing students with innovative programs that allow them to earn college credits in high school.

Luling ISD should develop and implement a plan with a long-term strategic focus on increasing and improving access

to college and career readiness programming and building a college-going culture with visible and verbalized expectations for students geared toward postsecondary education. Such clear expectations are likely to increase student participation in advanced academics and CTE programs and improve student academic performance overall.

Establishing necessary structures and clarifying the roles and responsibilities of the assistant superintendent of Curriculum and Instruction and campus principals in the area of advanced academics and CTE would be a key first step in creating a substantive strategic plan for improving services in this program area.

District administration should also articulate a clear plan for addressing the gaps in the current G/T program, expanding the program to all grade levels, reviewing identification procedures and instruments, and ensuring that staff providing G/T services acquire the state-required training.

Luling ISD should also develop a plan for ensuring that Luling ISD students have opportunities to complete college level courses in high school through AP, dual enrollment, and other advanced courses.

The district should also consider identifying a coordinator of college and career readiness services who is responsible for oversight of advanced academics and CTE districtwide and/or two staff who serve as coordinators for advanced academics and CTE under the supervision of the assistant superintendent of Curriculum and Instruction.

The coordinator(s) should ensure all staff in the G/T, AP, dual credit, and CTE programs have the necessary certifications and training to teach in these areas. In addition, the coordinator(s) should develop a plan to ensure staff is receiving appropriate professional development to improve the rigor of these courses and allocate resources as necessary. The district should also assess staff capacity and interest in teaching advanced and CTE courses and develop a timeline for phased-in implementation of a core set of courses with a professional development plan for identified teachers. The coordinator(s) should devise a plan to monitor these program areas to ensure student needs are being met and that there is a high level of rigor in place. Goal setting in each of the advanced academic areas, and CTE should be included in campus and district improvement plans.

Finally, the district should initiate efforts to partner with area postsecondary institutions. According to district administrators, Luling ISD is in discussions with Austin

Community College to offer additional dual credit courses. This agreement should be established as soon as possible to ensure Luling ISD is meeting state standards by partnering with a local college that can provide dual credit opportunities for high school students. Additionally, Luling ISD should explore pursuing articulation agreements with other nearby colleges and universities such as Texas State University to increase opportunities for Luling ISD students.

Costs involved with this recommendation include AP training for teachers. Many universities in Texas offer AP Summer Institutes provided by the College Board to prepare classroom teachers to teach AP and pre-AP courses. The cost of early registration is \$450 per teacher. Travel, per diem, and housing/hotels are estimated at \$550 per teacher for each four-day session or (\$450 registration + \$550 travel expenses = \$1,000 per teacher). AP training is valuable for all classroom teachers, and would support the district's move toward increased numbers of students participating in pre-AP and AP classes. The fiscal impact assumes that five teachers per year would participate. Based on that assumption, the total costs would be \$5,000 annually. Other costs are assumed to be covered by the district's professional development budget.

EVALUATION OF CHANGES TO SPECIAL EDUCATION SERVICES (REC. 10)

Luling ISD has recently added to the continuum of special education services to students, but has not evaluated the impact of program modifications. In large part, the changes have resulted from evolving positions on the co-teach model for provision of special education services. Schools using the co-teach model have two teachers in classrooms, one of whom is a general education teacher and one a special education teacher. The two plan and teach together to ensure that the needs of all students, including those requiring special education services, are met in the general education classroom.

Following a longitudinal review of data related to provision of special education services, TEA conducted a preliminary onsite visit to Luling ISD in February 2010. Some of the preliminary findings from this visit related specifically to students receiving special education services while others addressed more general findings which could have a disproportionate impact on those students. For instance, full implementation of Response to Intervention (RtI) would improve the process for identifying students in need of special education services. Among the findings from this

review intended to improve the provision of services to special education students were the following:

- the district should move forward with full CSCOPE implementation;
- the district lacks a system for district and campus TAKS data analysis;
- general education teachers and parents lack understanding of the complexities of modified and accommodated statewide assessments;
- master scheduling and the number of staff are challenges to implementation of the co-teach model;
- Response to Intervention (RtI) is not fully implemented districtwide; and
- teachers are in varying stages of taking more ownership and responsibility for all students.

The preliminary findings report states that implementation of CSCOPE, a general education component which will affect academic services to all students, and data analysis would “have a positive impact on the LEA’s ability to customize academic interventions for students with disabilities.” It also states that “collaboration and planning time for general education and special education staff are needed in order for the LEA to improve instruction for students with disabilities.”

The district participates in a special education cooperative through Caldwell County that provides the Preschool Program for Children with Disabilities program as well as life skills classes for students who need those services. The cooperative also provides a portion of speech therapy, speech pathology, occupational therapy, and physical therapy

services, counseling services, and the services of an educational diagnostician who is in the district four and a half days per week. If student diagnostic testing needs to be conducted in Spanish, the cooperative will send a bilingual diagnostician. Special education services are also offered through the district. In addition to a special education director, the district employs two special education teachers at the primary campus, four at the elementary, two at the junior high school, and two at the high school. An additional special education teacher spends half of the week on the junior high school campus and the other half at the high school.

Since being identified for monitoring, the district has taken steps to comply with requirements as well as suggestions for improvement made by TEA. For example, as of school year 2012–13, the district is fully implementing CSCOPE and analyzing student data. RtI is also being implemented with more fidelity, especially within the block schedule at the secondary level. However, as **Exhibit 2–14** shows, performance of students receiving special education services is below state standards. PBMAS performance levels range from 0 (met standard) to 3 (furthest from standard).

There is also doubt among staff about whether Luling ISD is providing the best possible services to students. Services provided include a resource class, special education teachers who co-teach with general education teachers, in-class support, and intervention classes.

Secondary special education teachers reported one of their biggest challenges was the conflict between providing in-class support to students in a variety of classes during one scheduled class period and co-teaching, which means that they are assigned to one class for an entire period and are thus unable to provide in-class support to other students during

EXHIBIT 2–14

LULING ISD PBMAS PERFORMANCE LEVELS ON DISTRICT SPECIAL EDUCATION PASSING RATES 2008 TO 2012

YEAR	MATH	READING/ELA	SCIENCE	SOCIAL STUDIES	WRITING
2008	3	3	3 HH	NA SA	0
2009	3	3	3	3	0
2010	3	0 RI	3	3	NA SA
2011	2	2	0 RI	N/A	N/A
2012	3	2	3	0	Not reported

NOTES:

- (1) RI = Performance Indicator assigned because required improvement met.
- (2) N/A = Indicator not applicable (insufficient number of students to count).
- (3) SA = Indicator not applicable after special analysis performed.
- (4) HH = Performance Indicator assigned because of Hold Harmless provision.

SOURCE: Texas Education Agency, PBMAS reports 2008–2012.

that period. A previous special education director advocated for a co-teaching model and secured a great deal of support from Region 13 in the form of observations and coaching. Currently, however, the district is not receiving Region 13 support, and teacher time is divided between in-class support and co-teaching. With the co-teaching model, the general education and special education teachers are supposed to plan together, but at some grade levels, special education teachers do not have the same conference period as general education teachers and thus are not involved in the planning. Staff reported that this has resulted in some special education teachers feeling undervalued.

Many interviewees indicated that the district did not have enough special education staff and the loss of paraprofessional support has the teachers reporting feeling stressed. These concerns are supported by data showing that at the time of the TEA report in 2010 the district reported a total of 33 paraprofessional staff, while in school year 2011–12 they reported 25. Teachers reported three special education paraprofessionals at the junior high school, four at the elementary and primary, and one at the high school, but when the paraprofessionals are out, no substitute teachers are available. Each special education teacher is assigned a number of students whose services they oversee in their role as case manager. As case managers, they monitor student grades; confer with teachers about student progress; attend Admission, Review, and Dismissal meetings; and communicate with parents. Case managers meet once per six weeks as a team to discuss changes to laws, individual student progress, and professional development opportunities.

Based on teacher concerns, PBMAS results, and recent program changes, the district should evaluate special education services, including the cost-effectiveness of the regional cooperative, the effectiveness of the co-teach model, and the role of paraprofessionals. A program evaluation would provide specific data to inform district leaders on which services are having the most impact for students and whether staffing is appropriate and adequate. Quality evaluation of a program consists of “systematic assessment of the operation and/or the outcomes of a program or policy, compared to a set of explicit or implicit standards, as a means of contributing to the improvement of the program or policy”. In the current context, the district should systematically, or formally, assess the processes and outcomes of the delivery of special education services to students.

Numerous resources are available to support district leadership in the design of an appropriate program evaluation

for the delivery of special education services. Examples include the following:

- Basic Guide for Program Evaluation (<http://managementhelp.org>)—provides a description of three types of evaluations with supporting questions to assist in evaluation design;
- *Program Evaluation Plan, Commission on Accreditation* (www.cahiim.org)—provides an evaluation plan and a template for evaluation;
- *Framework for Program Evaluation* (www.cdc.gov)—provides a framework for the program evaluation process and outlines steps; and
- *Evaluating the Impact of Educational Programs* (www.fsis.usda.gov)—provides a framework for formative and summative program assessment using process, impact, and outcome-based evaluation tools and includes a flow chart of the steps for the evaluation process.

The special education director and the superintendent should identify a task force including board members, teachers, parents, and administrators to support the development and review of a plan for evaluating special education programming in Luling ISD.

The district can implement this recommendation with existing resources if an internal evaluation process is conducted. If an external evaluator provides assistance to the district, there may be additional costs. No fiscal impact is assumed for this.

MIGRANT PROGRAM POLICIES AND PROCEDURES (REC. 11)

Luling ISD’s Migrant Education Program (MEP) is poorly structured and does not allow for effective identification of students and monitoring of services.

According to the TEA’s January 2011 Lone Star report, Luling ISD serves approximately 22 migrant students. Since 2006–07, the district’s migrant population has remained fairly constant, ranging from 1.5 percent to 2 percent of student enrollment. However, it is unclear whether Luling ISD’s MEP adequately identifies and serves eligible students. Luling ISD’s MEP lacks formal policies and procedures. For example, there are no clearly written procedures for identification and recruitment (ID&R), and key staff members are not trained on how to identify students who may be eligible for MEP services. In addition, it is unclear

how services are implemented, tracked, and monitored and how funds are tracked to ensure they are spent appropriately.

Responsibility for ID&R in Luling ISD is assigned to a staff member who also serves as the homeless liaison, a district receptionist, and an administrative secretary. Specific responsibility for oversight in terms of service delivery and program compliance has not been established. This creates a significant responsibility and decision-making gap resulting in increased risk that the district could be non-compliant with federal and state regulations and that MEP programming is inconsistent and ineffective.

Luling ISD should develop written policies and procedures for the district's MEP, including staff training on student identification.

Detailed, formal written policies and procedures are necessary so that it is clear how the program is to be implemented at Luling ISD. This is essential to ensure federal and state guidelines are being met, as well as to ensure there is consistency with program implementation and service delivery to students.

Amarillo ISD has a Migrant Education Procedure Manual detailing policies and procedures for its MEP that includes all of the necessary components.

MEP procedures should clearly indicate who is to perform required program tasks, and when, and should include the following:

- roles and responsibilities of everyone involved with the MEP, including staff, parents and/or volunteers, and Parent Advisory Committee (PAC) members, including bylaws for PACs;
- procedures for identifying and recruiting migrant students
- procedures for identifying, recruiting, determining eligibility, and monitoring;
- policy for Priority for Service (if applicable) indicating which students are to be given priority status for services;
- Certificate of Eligibility procedures;
- services Luling ISD provides to migrant students, including procedures for tracking expenses and requests for clothing, medical care, school supplies, and other resources; and

- New Generation System documentation procedures.

The district should also identify several examples of MEP procedure models and work with Region 13 to develop policies and procedures specific for Luling ISD. Identifying staff responsibilities in terms of compliance, and oversight and service delivery is especially critical.

To improve ID&R strategies, Luling ISD should design intuitive materials (brochures, flyers) in Spanish and English to be sent home with students along with the annual survey used by the district to identify migrant students. This information will help to inform parents about the program and to help them determine if their child is eligible to receive migrant services. The district's website should also include information for parents on program services and eligibility requirements. This information will assist in accurately identifying migrant students and lessen the dependence on teacher identification and questioning of students. This will also increase parent and student awareness of program services available, potentially increasing the number of parents accurately completing and submitting the survey, and ensuring eligible students are aware of the program and are receiving services.

The district can implement this recommendation with existing resources.

SERVICES FOR ENGLISH LANGUAGE LEARNERS (REC. 12)

Luling ISD does not effectively monitor services for English language learners (ELL). **Exhibit 2–15** shows the percentage of district students by campus who are ELLs identified as LEP. The percentage of Limited English Proficiency (LEP) students has increased from school years 2007–08 to 2011–12, with the bulk of the students identified as LEP in Luling Primary/Shanklin Elementary. Students who receive bilingual/ESL services when they enter school will typically meet the criteria to exit LEP status by the time they enter junior high school. However, some LEP students continue into secondary programs, and immigrants of all ages continue to arrive with limited English skills.

Interviewees indicated that Luling ISD is not meeting TEC regulations for the provision of services for ELLs, and ESL staff does not have adequate resources for program implementation. In the 2012 PBMAS Bilingual Education/ESL report, Luling ISD LEP students performed below standards in mathematics (performance indicator 1) and reading (performance indicator 2). A performance level of 0 is the highest designation for any indicator, meaning the

**EXHIBIT 2-15
PERCENTAGE OF LIMITED ENGLISH PROFICIENT STUDENT ENROLLMENT BY CAMPUS AND DISTRICT
SCHOOL YEARS 2007-08 TO 2011-12**

SCHOOL YEAR	DISTRICT	LULING PRIMARY	SHANKLIN ES	LULING JHS	LULING HS
2007-08	10.8%	17.9%	13.5%	9.4%	3.2%
2008-09	12.1%	19.2%	14.4%	7.9%	3.4%
2009-10	12.1%	16.7%	15.2%	7.1%	2.6%
2010-11	12.6%	N/A	18.0%	9.7%	4.3%
2011-12	12.2%	N/A	18.1%	7.6%	4.5%

NOTE: Beginning in 2010-11, Luling Primary and Shanklin ES are combined in AEIS reporting under Luling ES.
SOURCE: Texas Education Agency, AEIS data 2008-2012.

district met the standard for the indicator. A performance level of 3 is the lowest designation, indicating the district performance was farthest from the 0 - Met Standard designation.

Luling ISD is also lacking consistent procedures for requesting resources and allocating funds to ESL programs across school campuses. In interviews, ESL staff indicated that each campus has its own process for requesting materials, and it is a hit-or-miss process as to whether or not teachers receive the resources they need.

TEC, Section 29.053 (c) requires each district with an enrollment of 20 or more students of LEP in any language classification in the same grade level to offer a bilingual education or special language program. In addition, TEC, Section 29.061 requires that any teacher assigned to the ESL program be certified.

Luling ISD has a bilingual program in operation at Shanklin Elementary where bilingual classes are offered in grades pre-Kindergarten-grade 2. In grades 3-5, content-based ESL services are provided in the classroom, and teachers are ESL certified. (The district has a waiver for grades 3-5 bilingual classes and plans to add a grade a year.) At the secondary level, the district lacks a coherent program to consistently deliver ESL services at Luling Junior High School and Luling High School. At these campuses, ELLs are served by an ESL English teacher. At Luling Junior High School, ELLs are also served by a pull out program. Other teachers at the secondary level are not ESL-certified, however. Staff reported that the district used to group students according to English language proficiency level (beginning, intermediate, and advanced) for ESL support at the secondary level, but students are no longer grouped by proficiency level for in-class ESL support.

Responsibility for program oversight and monitoring is unclear. The ESL coordinator, who provides ESL services at

the elementary school level, is effectively responsible for oversight of districtwide service delivery and compliance. She took over the role in school year 2012-13, in addition to her role as an assistant principal, which she has had for the past few years. The coordinator is still in the process of getting familiar with existing Luling ISD programming, student needs, and state and federal rules and regulations.

During the onsite review, secondary administrators told the review team that not all ESL teachers were certified, and there was not a plan in place to help teachers get the certifications necessary to be compliant with the TEC. Additionally, current ESL staff lacks training and resources needed to implement the district-mandated curriculum management system in classrooms. Staff also reported that the district’s curriculum management system does not include complete translated resources and in some cases, the translations that are provided are poor. After the onsite visit, district administrators indicated that all ESL teachers have now been certified, training has occurred and resources are now available.

One administrator stated, “The LEP population is not achieving appropriately at adequate levels. It’s probably a ripple effect from six years ago. We should have made a decision (then) about being in a bilingual program but didn’t. We have bilingual teachers at K-grade 2, keep adding a teacher every year, but if all of them (students) had it, we might not have a LEP/bilingual issue. Everyone in the district needs to be trained in sheltered instruction.” Staff reported that one of the ESL teachers presents a 5 to 10 minute session on sheltered instruction strategies every Wednesday at staff meetings.

In *Succeeding With English Language Learners: Lessons From the Great City Schools*, the authors identify district policies and practices that support successful programming for ELLs. These include the following:

- creating a unified vision for improving instruction and services for ELLs;
- identifying a vocal advocate for the improvement of ELL programming;
- empowering bilingual/ESL staff and school leaders in the support of ELLs;
- engaging in comprehensive planning and widespread adoption of language development strategies in instruction;
- sustaining support and monitoring at the district level for ELL program improvements;
- building a culture of collaboration and shared accountability for the success of ELLs;
- staffing programs strategically;
- pursuing high quality training;
- engaging in student data review; and
- reallocating funds and using resources strategically.

TEA's Best Practices Clearinghouse also provides a wealth of examples of programming and strategies successfully implemented by Texas schools to serve ELLs. In addition, state-sponsored websites such as TEA's Texas English Language Learners Portal are valuable resources for state-specific best practice and training. Region 13 also provides extensive training opportunities for bilingual/ESL educators as well as online ELPS training for other teachers.

Luling ISD should identify additional and ongoing opportunities to provide high quality services for English language learners.

A first key step is to provide a job description for the ESL coordinator that describes expectations for the position in alignment with a set of district-developed goals for ELL student performance. These goals should be included in district and campus improvement plans. The ESL coordinator should seek, and the district should support, opportunities for training to understand federal and state regulations, as well as best practices for ESL program implementation. Expectations for campus principals and other staff should also be articulated to ensure accountability for the success of ELLs districtwide.

Opportunities should also be provided for ESL staff to collaborate with neighboring districts on methods of service

delivery to students as well as opportunities for the coordinator to learn of best practices for successful program management. It would be especially helpful for the coordinator to gather information from other districts utilizing CSCOPE, so that ESL staff can gain knowledge of best practices in this area. Luling ISD should implement these strategies as appropriate, as well as providing training or resources for teachers to get training in ESL instruction, including Sheltered Instruction Observation Protocol (SIOP) training.

Since SIOP training is planned by Luling ISD for the current school year, the district can implement this recommendation with existing resources. Region 13 provides a bilingual/ESL directors meeting face-to-face and online twice a year at no charge.

ECONOMICALLY DISADVANTAGED STUDENTS (REC. 13)

District staff is not trained in the needs of economically disadvantaged students. The district has a large population of economically disadvantaged students, and employees are not always equipped to deal with the needs of these students.

In the early 1950s, the federal government built several low-income housing projects in Luling, which are still in use today. In school year 2012–13, 101 students (7 percent of the Luling ISD population) under the age of 18 were living in the 128 low-income housing units. The average age of the students is seven. Overall, the percentage of economically disadvantaged students in the district has been increasing with 68 percent of Luling ISD students in 2012 identified as economically disadvantaged. A summary of the economically disadvantaged student population in Luling ISD is shown in **Exhibit 2–16**.

While the percentage of economically disadvantaged students in Luling ISD is increasing at approximately the same rate as the percentage statewide, these students in Luling ISD perform poorly compared to similar students across the state. The percentage of economically disadvantaged students meeting or exceeding standards in ELA-reading was 10 points lower than similar students statewide, 14 percentage points lower in mathematics and 7 points in science. Low socioeconomic status (SES) students in Luling ISD do not perform as well as other low SES students statewide. A summary of the economically disadvantaged students meeting or exceeding standards on statewide ELA-reading, mathematics, and science assessments from school years 2006–07 to 2010–11 is presented in **Exhibit 2–17**.

**EXHIBIT 2-16
PERCENTAGE OF LULING ISD STUDENTS FROM ECONOMICALLY DISADVANTAGED BACKGROUNDS
SCHOOL YEARS 2007-08 TO 2011-12**

SCHOOL YEAR	LULING ISD ENROLLMENT	LULING ISD ECONOMICALLY DISADVANTAGED	STATEWIDE ECONOMICALLY DISADVANTAGED STUDENTS	STATE POPULATION ECONOMICALLY DISADVANTAGED
2007-08	931	61.9%	2,572,093	55.3%
2008-09	968	65.6%	2,681,474	56.7%
2009-10	908	62.4%	2,848,067	59.0%
2010-11	1009	69.2%	2,909,554	59.2%
2011-12	965	68.2%	3,008,464	60.4%

SOURCE: Texas Education Agency, AEIS 2008-2012 Data Profiles.

Additionally, data from interviews and focus groups indicated that staff lacks understanding of students from low SES backgrounds and have not received training in the circumstances and needs of students who have a background of generational poverty.

Districts that successfully educate students from poverty hold all students to high standards. They also support teachers in developing a “better understanding of themselves and their own worldviews in order to better engage with children who bring different experiences, cultures, values, and ways of understanding the world into the classroom.” According to Jacqueline Ching in *The Poverty Myth* (Teaching Tolerance, Spring 2012), there are eight steps educators can follow to start learning about students living in poverty. These include the following:

- Examine beliefs about the so-called “culture of poverty” (i.e., “The Myth of the Culture of Poverty” in *Educational Leadership*).
- Conduct in-service training about issues of poverty in the community and its impact on students.

- Prompt students to reflect on and express their talents, beliefs, and values.
- Avoid referring to indications of financial assistance, such as free or reduced-price lunches in front of students.
- Expose students to fellow students who are older, successful, and empathetic as academic and social role models.
- Increase the number of cooperative learning activities to help diminish stereotyping.
- Confront bullying toward low-income students by students or adults.
- Expose students to lessons about antipoverty work but avoid materials that stereotype people from poverty.

Luling ISD should provide research-based training for all district employees to assist them in meeting the needs of economically disadvantaged students. There are a number of resources available for gathering information about teaching low income students.

**EXHIBIT 2-17
LULING ISD PERCENTAGE OF ECONOMICALLY DISADVANTAGED STUDENTS MEETING OR EXCEEDING STANDARDS ON
STATEWIDE READING/ELA, MATHEMATICS, AND SCIENCE ASSESSMENTS
SCHOOL YEARS 2006-07 TO 2010-11**

SCHOOL YEARS	READING/ELA		MATHEMATICS		SCIENCE	
	STATE ECON DIS	LULING ISD ECON DIS	STATE ECON DIS	LULING ISD ECON DIS	STATE ECON DIS	LULING ISD ECON DIS
2006-07	83%	70%	69%	58%	60%	48%
2007-08	86%	80%	74%	65%	63%	53%
2008-09	87%	78%	76%	64%	68%	60%
2009-10	86%	75%	79%	65%	76%	59%
2010-11	85%	75%	79%	65%	76%	69%

SOURCE: TEA, AEIS 2007-2011 Data Profiles.

The Center of Excellence to Prepare Teachers of Children of Poverty identifies six standards for teacher candidates to ensure they are equipped to teach children of poverty. Standards important to those entering the teaching profession include the following:

- Life in Poverty—studying and applying current research to create learning environments in which children of poverty are taught as capable learners and to help them understand the reasons for classroom behaviors sometimes demonstrated by students who come from poverty.
- Language and Literacy—working with students as they develop language skills, because many children of poverty enter school lacking language skills.
- Family and Community Partnerships—studying the structure and culture of families living in poverty. This understanding of the value, validity, and strengths of different family structures is considered critical.
- The Classroom Community—understanding the social, emotional, and cognitive aspects of building a classroom environment that engages participants in the learning community.
- Curriculum Design, Instructional Strategies, and Assessment—using data to identify, interpret, and make instructional decisions for the needs of individual students.
- Teachers of Children of Poverty as Learners, Leaders, and Advocates—learning and implementing self-reflection and self-evaluation techniques to assist teachers as learners and help them develop as advocates for children of poverty.

The center also publishes research to help develop the expertise of educators working with low-income students. These materials are available at www.fmucenterofexcellence.org.

Another source of information about teaching children from poverty is the Harvard Education Publishing Group, which

publishes a series of books and blogs to help keep educators informed about a variety of issues. A 2008 blog article, *Dispelling the Myth*, provides a good book study topic for district staff in developing positive and forward-thinking attitudes about student potential. In addition, the Education Trust annually presents awards to schools that have been successful in helping poor and minority students meet meaningful academic standards. More information on the Education Trust program is at www.edtrust.org.

The fiscal impact is based on the assumption that two staff will attend a four-day “Teaching with Poverty in Mind” training in San Antonio in July 2013 for \$575. Travel, per diem, and housing/hotels are estimated at \$550 per staff member for each four-day session or (\$575 registration + \$550 travel expenses = \$1,125 per teacher x two teachers = \$2,250). Staff volunteering to attend should clearly understand that they would be expected to come back and share what they learned in professional development sessions throughout the year.

LIBRARY RESOURCES (REC. 14)

Luling ISD library resources are not adequate to meet student needs and support improved student performance. The Luling ISD libraries do not have adequate resources to support learning for all students. According to the school librarians, there is an appropriate ratio of books per student in each library; however, many books are outdated, and there is a shortage of books for pre-emergent and emergent readers. **Exhibit 2–18** shows the Luling ISD materials budget for school year 2008–09 to 2012–13.

Librarians reported that Shanklin Elementary now has over 8,000 titles in the library, but most of the books are at grade 2 reading level and above. Many students are reading below grade level, and the library has an inadequate supply of books at lower levels. Luling ISD uses the Accelerated Reader program and expanded implementation of the program to Kindergarten and grade 1 in January 2013. However, there are not enough books for students to read at these grade levels. In addition, there are three bilingual classes (pre-Kindergarten–grade 2) at the elementary school, and Luling

EXHIBIT 2–18 LULING ISD LIBRARY MATERIALS BUDGET SCHOOL YEARS 2008–09 TO 2012–13

	2008–09	2009–10	2010–11	2011–12	2012–13
Budget Amount	\$22,958	\$22,350	\$22,795	\$18,900	\$17,983
Difference from previous year		(\$608)	\$445	(\$3,895)	(\$917)

SOURCE: Luling ISD Budget Information August 13, 2012.

ISD libraries lack sufficient Spanish books for bilingual students. The bilingual program will expand to include third grade next year.

Additionally, Luling ISD libraries do not have the resources necessary to support the implementation of the CSCOPE curriculum. According to school staff, particular resources that are necessary for CSCOPE lessons are currently not available in the library. In addition, due to the horizontal alignment of the CSCOPE curriculum, multiple teachers are in need of the same resource for lessons at the same time, and teachers reported that are too few of the appropriate resources available.

In addition, librarians indicated that the libraries are not always adequately staffed. When librarians are absent or unavailable, no alternative coverage is available, so the library is closed until the librarian returns. Because librarians are sometimes called on to substitute for classroom teachers, library closures occur more often than might be expected. Without access to the library, students are not able to complete research assignments. Students are also not able to access computers to complete schoolwork since they are housed in the library, and students do not have access to computer labs outside of pre-arranged class visits. District administrators reported that libraries are never closed.

Librarians also reported not having adequate time to prepare for classes or programs or complete library management tasks like book shelving, labeling, or checking books in and out, and they do not have library aides to assist them with these tasks. For example, at the onsite visit, many of the books that came from the elementary school that closed are in good shape but cannot be put on shelves because they need to be recoded first, and librarians do not have the time or assistance to recode books. In order to complete their required tasks, librarians must lock the library doors and limit library access to students. Since the time of the onsite visit, the district has indicated that this has been completed.

Finally, while the district has identified a district librarian, the responsibilities of this role are unclear. The current district librarian also serves as the high school librarian, and the librarians at each school campus work independently and with their school administration, rather than as a collective group. Campus librarians report to school administrators, and school administrators do not currently work together or with the district librarian to discuss library needs and resources. Neither library services nor librarians are monitored or routinely evaluated.

There is also lack of district support and resources for special library programs designed to enrich student academic performance. For example, Luling ISD librarians told the review team during the onsite visit that they recently applied for and received a grant award from the Texas Commission on the Arts and combined those funds with proceeds from a book sale to purchase a zoology program for students in grades K–5. This program was enjoyed by students and staff, however librarians indicated that administrators showed little support or interest, even indicating it was a waste of time because students were pulled from classroom instruction for the program. Luling ISD administrators stated that they were unaware of a library grant.

According to the American Association of School Librarians (AASL), the definition of information literacy has become more complex as resources and technology have changed. School libraries are essential to the development of learning skills required to be information literate. School libraries provide equitable physical and intellectual access to the resources and tools required for learning in a warm, stimulating, and safe environment. School librarians collaborate with others to provide instruction, learning strategies, and practice in using the essential learning skills. School libraries need to be adequately equipped in order to prepare students to be able to accomplish the following:

- inquire, think critically, gain knowledge, and draw conclusions;
- make informed decisions, apply knowledge to new situations, and create new knowledge;
- share knowledge and participate ethically and productively as members of our democratic society; and
- pursue personal and aesthetic growth.

In order to successfully serve students in these endeavors, AASL best practices indicate resources and staffing are critical. Specifically, staffing patterns must reflect the following principles:

- All students, teachers, and administrators in each school building at all grade levels must have access to a library program provided by one or more certified school librarian(s) working full-time in the school's library.
- Both professional personnel and support staff are necessary for all library programs at all grade levels. Each school must employ at least one full-time

technical assistant or clerk for each school librarian. Some programs, facilities, and levels of service will require more than one support staff member for each professional.

- More than one library professional is required in many schools. The specific number of additional professional staff is determined by school size, number of students and teachers, facilities, and specific library program. A reasonable ratio of professional staff to teacher and student populations is required in order to provide for the levels of service and library program development described in *Empowering Learners: Guidelines for School Library Programs*.
- All school systems must employ a district library director to provide leadership and direction to the overall library program. The district director is a member of the administrative staff and serves on committees that determine the criteria and policies for the district's curriculum and instructional programs. The director communicates the goals and needs of both the school and district library programs to the superintendent, board of education, other district-level personnel, and the community. In this advocacy role, the district library director advances the concept of the school librarian as a partner with teachers and promotes a staffing level that allows the partnership to flourish.

According to the School Library Program Standards and Guidelines for Texas, library enrichment programs are essential to expand student learning. Library programs can build upon lessons taught in classrooms and teach similar concepts in innovative ways.

Limited library resources, staffing, and administrative support prevent teachers and students from receiving library services conducive to academic enrichment and achievement.

Luling ISD should invest in additional library resources. The district should review library resources and make a commitment to address inadequate resources, including books for pre-emergent and emergent readers, Spanish books to keep up with the expanding bilingual program, and resources necessary to implement and support the district-mandated curriculum. Luling ISD should also consider increasing staff support, perhaps through library aides, so the library can be accessed if the librarian is not available, and so the librarian has prep/planning time for lessons and programs.

Funds should be allocated as necessary to increase the number of books for pre-emergent and emergent readers and bilingual students. Funds should also be allocated to furnish libraries with the necessary resources to support teacher implementation of the mandated curriculum (CSCOPE). The library should also consider options for increasing library support staff to help librarians complete library tasks and ensure access to the library for students when librarians are unavailable. For example, students, parents, and/or volunteers may be trained to oversee library activities in the presence or absence of the librarian. Current staff may also be cross-trained so that they can operate the library when needed.

The district should also designate the district librarian as the authority to oversee all of the separate campus libraries. This role should also be expanded so that monitoring and evaluations of librarians at all school campuses are conducted by the district librarian. This would alleviate some responsibility from school administrators and increase monitoring and support of libraries. This will also allow the libraries at each campus to work together in a cohesive unit and align resources and programming across campuses and grade levels. Working as a unit will foster collaboration among librarians and reduce isolation.

The district librarian should also work with district administration on budget development and funding allocations for all Luling ISD libraries. The district librarian should be consulted by campus administrators before librarians are asked to substitute for absent teachers so that adequate coverage for libraries can be assured.

Restructuring leadership of library services can be implemented with existing resources. In order to increase the number of library programs, the district should seek grant opportunities to minimize impact to the existing budget. Luling ISD has accessed grants in the past to fund programs, and grant funding should be sought to fund future programs, specifically grants designed to assist libraries, such as those offered by American Association of School Librarians and Texas State Library and Archives Commission. The district can also reduce costs by utilizing existing state contracts for equipment and technology needs.

The district will need to allocate funds for the purchase of books for pre-emergent and emergent readers, bilingual books, and CSCOPE resources. An acceptable level of support based on recommendations from the Texas State Library and Archives Commission would be a library budget

equal to the number of students times 1.00 multiplied by the average replacement cost of a book. The average price of a children’s hardback in 2011 was \$21.55. For the 1,415 students in Luling ISD, the library materials budget should be at least \$30,493 (\$21.55 x 1,415). As shown in **Exhibit 2–18**, the budgeted amount for library materials for school year 2012–13 was \$17,983. The difference between the current budget and proposed budget is \$12,510 (\$30,493 - \$17,983). It is also worthy to note that the library materials budget has decreased every year since 2008–09 (with the exception of 2010–11). A substantial decrease occurred in 2011–12, when almost \$4,000 was cut from the previous year’s budget.

If the amount currently budgeted for materials remains \$17,983 for the next five years, the district will need to add an additional \$12,510 to the library budget each year to meet this recommendation. Additional staffing could necessitate the use of additional funds, but the district may want to consider using volunteers, students, or cross-training current staff so that there is adequate library coverage at all times.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013–14	2014–15	2015–16	2016–17	2017–18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 2: EDUCATIONAL SERVICE DELIVERY							
8. Identify leading and lagging indicators, set benchmarks for each indicator each year, and define standards and timelines for collecting and analyzing data.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Develop and implement a plan with a long-term strategic focus on increasing and improving access to college and career readiness programming and building a college-going culture.	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$25,000)	\$0
10. Evaluate special education services, including the cost-effectiveness of the regional cooperative, the effectiveness of the co-teach model, and the role of paraprofessionals.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11. Develop written policies and procedures for the district’s Migrant Education Program, including staff training on student identification.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12. Identify additional and ongoing opportunities to provide high quality services for English language learners.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13. Provide research-based training for all district employees to assist them in meeting the needs of economically disadvantaged students.	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,250)
14. Invest in additional library resources.	(\$12,510)	(\$12,510)	(\$12,510)	(\$12,510)	(\$12,510)	(\$62,550)	\$0
TOTALS–CHAPTER 2	(\$17,510)	(\$17,510)	(\$17,510)	(\$17,510)	(\$17,510)	(\$87,550)	(\$2,250)

CHAPTER 3

FINANCIAL MANAGEMENT

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 3. FINANCIAL MANAGEMENT

Public school districts strive to improve student performance while simultaneously improving efficiency. Districts receive revenue from a variety of local, state, and federal sources. Districts also actively seek out additional funding or resources through discretionary or competitive grants and partnerships. Each funding source holds school districts accountable for sound financial management. Financial management involves making choices regarding staffing and staff responsibilities; planning; budgeting; financial transactions; and record-keeping. The choices that districts make directly impact their ability to provide students with the best possible educational experiences.

District Business Office staff rely on other district employees to assist with financial management processes. One of the most important ways employees and other stakeholders assist with financial management is by contributing to the development of district and campus improvement plans. The improvement plans include spending plans that form the basis of the district's budget. Business Office staff also rely on other employees to keep accurate records that help ensure that funds are spent as intended and authorized. The stronger the partnership between the Business Office and other departments and campuses in the district, the more likely it is that a district will be able to perform its financial management functions effectively and efficiently.

Business Office staff within a district have unique responsibilities that differ from those of other district employees. These include the following:

- estimating, monitoring, and accounting for all revenue, as well as funds held in trust for others;
- assisting the school board and administration with developing and amending the district's budget;
- making financial transactions that are appropriately recorded and authorized by funding source;
- maintaining and reporting accurate financial information; and
- developing and implementing internal systems and control.

Specific financial management functions include payroll, accounts payable, accounts receivable, funds held in trust

such as activity funds, budgeting, revenue, general accounting, and auditing. There are many sources of guidance to help districts administer these functions effectively and efficiently. For example, the Texas Education Agency (TEA) publishes and annually updates the *Financial Accountability System Resource Guide* (FASRG). This guide brings together law, rule, and regulation regarding financial practices from federal and state sources into one place. Within the accounting profession, there are also Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidelines. Professional organizations such as the Government Financial Officers Association (GFOA) also study and promote best practices in financial management in the public sector.

Assessment of a school district's financial management practices is available from several sources. For example, each school district must engage an external auditor to produce an annual financial and compliance report. The external auditor checks for district compliance with state and federal laws and regulations and GAAP. The external auditor audits federal programs according to the requirements and guidance in the following documents:

- Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations;
- OMB Circular Compliance Supplement;
- 2 Code of Federal Regulations Part 225, Cost Principles for State, Local, and Indian Tribal Governments; and
- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

In addition, TEA annually produces a financial accountability rating for each school district. The Financial Integrity Rating System of Texas (FIRST) reports and analyzes information that districts provide to TEA through the Public Education Information Management System (PEIMS) and required annual financial and compliance reports. TEA calculates a district's FIRST rating based on a range of indicators. The indicators address quality of financial management practices and management of financial resources with a view toward

maximizing allocations for direct instructional purposes. The system also addresses “the quality of local management and decision-making processes that impact the allocation of financial resources.” Some indicators reflect basic expectations for all school districts; these are “yes/no” indicators. Examples include a fund balance greater than zero and an unqualified opinion in the most recent annual financial and compliance report. A “no” on any of the basic indicators results in a district FIRST rating of “substandard,” regardless of a district’s performance on any other indicators.

Other FIRST indicators address specifics regarding district financial performance such as administrative cost ratio and investment earnings. These indicators receive a rating from zero to five. Each year, the system produces a total score for each district which is then used to assign an overall rating of substandard, standard, above standard or superior achievement.

Because it incorporates information from annual financial and compliance reports, the most recent FIRST report lags two years behind the current year. **Exhibit 3–1** shows a

summary of the FIRST ratings for Luling Independent School District (Luling ISD) for the past five years. Ratings lower than the maximum of five indicate areas of concern for Luling ISD.

The Comptroller of Public Accounts also publishes a rating for each school district in the *Financial Allocation Study for Texas*, or FAST. FAST incorporates consideration of both academic and financial performance and results in a rating from one to five stars. One star is the lowest score, and a score of five stars is the highest. The review team identified and surveyed peer districts for comparison purposes to Luling ISD. **Exhibit 3–2** shows the 2012 FAST ratings of Luling ISD and the four peer districts.

The Luling ISD Business Office is responsible for the financial management functions of the district. The office is staffed with three positions, the chief financial officer (CFO), a secretary, and an assistant who is also responsible for payroll. Both the secretary and the assistant report directly to the CFO. The CFO reports directly to the superintendent. **Exhibit 3–3** shows Luling ISD’s Business Office organization.

**EXHIBIT 3–1
LULING ISD FIRST RATINGS
SCHOOL YEARS 2006–07 TO 2010–11**

SCHOOL YEAR EVALUATED AND OVERALL RATING	FIRST INDICATORS WITH LESS THAN 5	RATING
2006–07 Above Standard Achievement	Did the district’s academic rating exceed Academically Unacceptable?	0
	Was the percent of operating expenditures expended for instruction more than 55%?	3
	Was the percent of operating expenditures expended for instruction more than or equal to 65%?	3
	Were investment earnings in all funds (excluding debt service fund and capital projects fund) more than \$20 per student?	4
2007–08 Superior Achievement	Were debt related expenditures (net of Instructional Facilities Allotment and/or Existing Debt Allotment) <\$350.00 per student? (If the district’s five-year percent change in students = or > 7%, or if property taxes collected per penny of tax effort > \$200,000 per student).	4
	Was the percent of operating expenditures expended for instruction more than 60%?	3
	Was the percent of operating expenditures expended for instruction more than or equal to 65%?	3
	Were investment earnings in all funds (excluding debt service fund and capital projects fund) more than \$20 per student?	4
2008–09 Above Standard Achievement	Did the district’s academic rating exceed Academically Unacceptable?	0
	Were debt related expenditures (net of Instructional Facilities Allotment and/or Existing Debt Allotment) <\$350.00 per student? (If the district’s five-year percent change in students = or > 7%, or if property taxes collected per penny of tax effort > \$200,000 per student).	4
2009–10 Superior Achievement	Were investment earnings in all funds (excluding debt service fund and capital projects fund) more than \$20 per student?	0
2010–11 Superior Achievement	None	

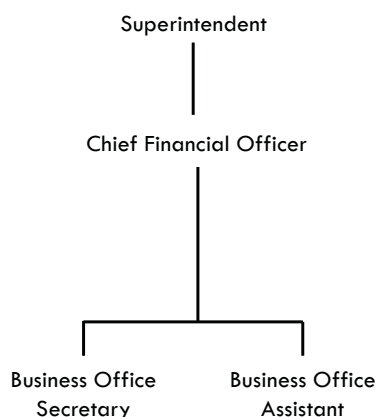
SOURCE: Texas Education Agency, FIRST District Status Detail Reports.

EXHIBIT 3–2
LULING ISD AND PEER DISTRICT SUMMARY FAST RATINGS
2012

DISTRICT	SPENDING INDEX	COMPOSITE PROGRESS SCORE	COMPOSITE ACADEMIC PROGRESS PERCENTILE	FAST RATING
Luling ISD	Very Low	1	2	3 of 5 Stars
Comfort ISD	High	4	66	3 of 5 Stars
Littlefield ISD	Very Low	2	24	3 1/2 of 5 Stars
McGregor ISD	Low	2	22	3 of 5 Stars
Marion ISD	Low	2	37	3 of 5 Stars

SOURCE: Comptroller of Public Accounts, Financial Allocation Study for Texas Report 2012.

EXHIBIT 3–3
LULING ISD BUSINESS OFFICE ORGANIZATION
SCHOOL YEAR 2012–13



SOURCE: Luling ISD Business Office, January 2013.

For fiscal year 2013, Luling ISD's adopted combined General and Debt Service Fund budget is \$10.52 million. This amount increased 1.7 percent from the adopted combined budget of \$10.34 million in fiscal year 2012. Approximately 53.3 percent of the fiscal year 2013 budget is allocated to instruction. This is 0.4 percent less than the amount originally budgeted for instruction in fiscal year 2012.

The fiscal year 2013 budget includes \$10.52 million in estimated revenues, with \$6.15 million from the state and \$4.3 million from local sources. Luling ISD's combined tax rate for fiscal year 2013 is 1.1152, with 1.039 for maintenance and operations (M&O) and 0.0762 for interest and sinking (I&S), or debt service. As of August 31, 2012, the district collected more than 99 percent of current year taxes, or \$3.655 million of the \$3.658 million levied.

IBC is Luling ISD's depository bank. District accounts at IBC include four accounts for district operations and four fiduciary accounts for activity funds. The district invests its

idle cash in two pools, Texpool and Lone Star. It also holds certificates of deposit at two of the three banks in Luling, Citizens Bank and Sage Capital Bank. **Exhibit 3–4** shows Luling ISD's bank and investment accounts as of December 2012.

EXHIBIT 3–4
LULING ISD BANK AND INVESTMENT ACCOUNTS
DECEMBER 2012

DESCRIPTION	ACCOUNT TYPE	PURPOSE
IBC Bank	Bank Account	Payroll
IBC Bank	Bank Account	General Concentration
IBC Bank	Bank Account	Workers' Comp
IBC Bank	Bank Account	Interest and Sinking
IBC Bank	Bank Account	Rosenwald Elementary Activity Fund*
IBC Bank	Bank Account	Shanklin Elementary Activity Fund
IBC Bank	Bank Account	Luling Junior High School Activity Fund
IBC Bank	Bank Account	Luling High School Activity Fund
Texpool	Investment pool	General Fund investment
Lone Star	Investment pool	General Fund investment
Citizens Bank	Investment CDs	General Fund investment
Sage Capital Bank	Investment CDs	General Fund investment

*This account was in place during the review. However, the district reports that since the time of the review they have closed the account and opened a primary account with IBC.

SOURCE: Luling ISD, Account Summary, Overview Information, December 2012.

FINDINGS

- ◆ Luling ISD does not have an established budget development and management process that involves appropriate district staff and community stakeholders to ensure funds are allocated according to the needs of the district.
- ◆ Luling ISD lacks written Business Office operating procedures that clearly communicate the roles and responsibilities of district staff.
- ◆ Luling ISD lacks a local, board-adopted fund balance policy to guide the district in both short- and long-term planning.
- ◆ Luling ISD has not established a consistent process to reconcile payroll funding with funding source requirements, actual responsibilities, and assignments.
- ◆ Luling ISD's practice of serving ineligible children in its pre-Kindergarten program without charging tuition results in the district assuming unnecessary costs and losing potential revenue.
- ◆ Luling ISD has not conducted a market analysis of the district's afterschool child care program to ensure parents are charged a competitive rate.

RECOMMENDATIONS

- ◆ **Recommendation 15: Establish budget development and management processes that involve appropriate stakeholders, including the Board of Trustees, principals and other administrators, teachers, parents, community members, and campus-level site-based decision making committees.**
- ◆ **Recommendation 16: Develop written business operations procedures.**
- ◆ **Recommendation 17: Establish a formal fund balance policy.**
- ◆ **Recommendation 18: Develop a process to regularly ensure that the assignments and duties of personnel paid from state and federal special programs funds are reconciled with local, state, and federal funding sources.**
- ◆ **Recommendation 19: Establish policies and develop procedures to govern enrollment of and**

tuition charged for ineligible students in the district's pre-Kindergarten program.

- ◆ **Recommendation 20: Conduct a market analysis of the Kids Klub program to ensure that the district is charging adequate and appropriate fees.**

DETAILED FINDINGS

BUDGET DEVELOPMENT AND MANAGEMENT PROCESS (REC. 15)

Luling ISD does not have an established budget development and management process that involves appropriate district staff and community stakeholders to ensure funds are allocated according to the needs of the district. The district does not have written administrative procedures that communicate how the budget is developed. In addition, in practice, there has been no defined role in the process for key stakeholders.

Principals and other administrators, including the Technology and Special Education directors, reported that the Business Office gives them their budgets after the Board of Trustees adopts the annual budget in August. Before that, they are not involved in budget development. In addition, administrators are not allowed to input their budgets into the budget system or to make their own budget transfers.

Exhibit 3–5 shows the responses of Luling ISD staff members on questions related to the budget function. About one-third of the staff respondents found the budgeting function to be effective, fair, and well managed. More than one-half either had no opinion, which could indicate a lack of involvement, or disagreed with the survey statements.

Responses on staff and parent surveys conducted for this review identified some specific areas of dissatisfaction related to the needs assessment portion of the budget planning process. These include safety hazards, the age of classroom computers, and the ability to meet student needs in fundamental and advanced computer skills. Only 46 percent of campus staff and 40 percent of parents strongly agreed or agreed with the statement that "Safety hazards do not exist on school grounds." Regarding the age of computers, 44 percent of district staff, 54 percent of campus staff, and 44 percent of parents strongly agreed or agreed with the survey statement: "Computers are new enough to be useful for student instruction." There was less agreement with the following statement, "The district meets student needs in fundamental and advanced computer skills," with 41 percent

EXHIBIT 3–5
LULING ISD DISTRICT AND CAMPUS STAFF SURVEY RESULTS
JANUARY 2013

SURVEY QUESTION		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	RATING AVERAGE
Site-based budgeting is used effectively.	District	0%	30%	52%	19%	0%	3.11
	Campus	6%	39%	44%	10%	2%	3.35
Funds are allocated fairly.	District	0%	30%	56%	7%	7%	3.07
	Campus	4%	35%	36%	22%	2%	3.18
Campus administrators are well trained in fiscal management techniques.	District	4%	35%	27%	27%	8%	3.00
	Campus	8%	33%	50%	10%	0%	3.38

NOTE: Totals may not add to 100 percent due to rounding.

SOURCE: Review Team Survey, January 2013.

of district staff, 33 percent of campus staff, and 29 percent of parents agreeing or strongly agreeing.

As a result of the lack of a coordinated budget development and management approach, staff members and some school board members have experienced frustration. In particular, administrators with oversight responsibility for programs and funding sources do not feel that they are in control of their budgets. Because the Business Office develops their budgets, they are more likely to be misaligned with actual needs. Administrators must ask the Business Office to amend their budgets during the year in order to meet program objectives. This process creates extra work for both the administrators and the Business Office and can result in delays in purchasing that hamper efforts to meet student needs. Administrators are thus less efficient and effective in managing their own budgets. Because administrators depend on the Business Office to develop, monitor, and amend budgets, workloads for those who work in the Business Office increase.

TEC, Chapter 11, Sections 251–253, requires districts to participate in site-based decision-making. These legal requirements reflect commonly held best practices in school administration. Section 5.1 of the FASRG states the following with respect to site-based decision-making:

The basic premise of site-based decision-making is that the most effective decisions are made by those who will actually implement the decisions. The belief is that people involved at the campus level have a greater opportunity to identify problems, develop problem resolution, and change strategy than people located off-campus. Site-based decision-making concepts also recognize that people at the campus level are more likely to internalize change and to support its implementation

if they are involved in the decision-making than if they are not.

Module 2 of the FASRG is devoted to budgeting. It states that “[s]ite-based budgeting places the principal and other campus staff at the center of the budget preparation process. Principals serve as budget managers for their individual schools, responsible for both the preparation and maintenance of the campus budget.” While the school board ultimately approves the budget, the district superintendent, with the assistance of other administrators and site-based decision-making committees, develops the budget.

The FASRG has related recommendations that school districts should incorporate into the budget development process. One is the preparation of budget guidelines. At a minimum, the FASRG recommends the following guidelines:

- budget transmittal letter from the superintendent that provides the overall context for budget development at the district/campus levels;
- budget memorandum/overview that explains the district budgeting philosophy and approach, outlines the budget development process, and references major assumptions and changes in the budgetary process from the previous year;
- fiscal limitations to be observed districtwide such as maintenance of service levels, specific percentage increases/decreases in resource allocations, and personnel hiring guidance;
- budget calendar of critical dates for budget development, submission, and review;

- instructions concerning which expenditure items are to be budgeted at the campus level and what level of detail is required for submission;
- copy of standard budget preparation worksheets, submission forms, and/or disks; and
- list of the account codes necessary for the preparation of campus budgets (normally includes function, object, sub-object, and program intent codes).

At the time of the review, the Luling ISD superintendent had developed a budget calendar for the 2014 fiscal year. The budget calendar was approved by the board in December 2012. **Exhibit 3–6** shows the calendar.

Luling ISD should establish budget development and management processes that involve appropriate stakeholders, including the Board of Trustees, principals and other administrators, teachers, parents, community members, and campus-level site-based decision making committees. The Luling ISD superintendent should implement the board-

**EXHIBIT 3–6
LULING ISD BUDGET CALENDAR
FISCAL YEAR 2014**

TARGET DATE	ACTIVITY/PROCESS	RESPONSIBILITY
January	Budget process approval	Superintendent/CFO
January 25	Budget process outlined to principals and directors for the beginning of budget preparation for 2013–14	Superintendent/CFO
January 25	Budget template given to principals and department heads for use in preparing budget requests	
February–April	Review staffing – TASB Salary Survey is in progress	Superintendent/CFO
February–April	Review campus needs assessments for federal grants	Superintendent/CFO Directors/Principals
February 5–March 8	Technology visioning committee working on campus plans	Superintendent, Principals, CFO, and Technology director
February 8	First campus enrollment projections due to the superintendent and CFO	Superintendent, Principals, and CFO
March 8	Technology planning requests due to CFO	Technology director and Assistant Superintendent of Curriculum and Instruction
March 4–8	Individual department/campus staffing meetings	Superintendent, CFO, Directors and Principals
March 22	Summer repair worksheets due to CFO	Superintendent, CFO, Directors and Principals
March 22	All departmental and campus budgets due to superintendent and CFO	Directors, Principals, and CFO
March 29	Second campus enrollment projections due to the superintendent and CFO	Superintendent, Principals, and CFO
May 1–10	Preliminary planning for grant fund allocations	Superintendent, Directors, Principals, and CFO
June 17	First draft of 2013–14 budget to Board of Trustees	Superintendent/CFO
July 15	Second draft of 2013–14 budget to Board of Trustees	Superintendent/CFO
July 22	At regular board meeting, board decides a date for budget and tax rate hearing	Superintendent/CFO
July 25	Certified values due from Caldwell County Appraisal and Guadalupe Appraisal Districts	CFO
August 9	Publish notice of official budget and tax rate hearing (has to be 10 to 30 days before the hearing)	CFO
August 12	Third draft of 2013–14 budget to Board of Trustees	Superintendent/CFO
August 26–30	Final budget presentation to the board for adoption of official budget and tax rate hearing	Superintendent/CFO

SOURCE: Luling ISD superintendent, January 2013.

approved budget calendar for 2014. This calendar includes activities and processes, target dates, and responsibilities, all items which the FASRG recommends and illustrates in its sample budget calendar. The superintendent should work with the Business Office to improve the budget development and management processes. The superintendent should direct the Business Office to prepare the items detailed above from the FASRG and provide the training necessary for principals to understand and successfully execute their roles and responsibilities in site-based budgeting. Because this process for budget development will be new to campus administrators, staff will require some training, especially in the use of the district's administrative software. District staff can provide this training using relevant portions of the FASRG. The superintendent should inform the board of the expanded process and provide regular updates. Since the time of the onsite visit, the district indicated that a budget process is in place.

The district can implement this recommendation with existing resources.

BUSINESS OPERATIONS PROCEDURES (REC. 16)

Luling ISD lacks written Business Office operating procedures that clearly communicate the roles and responsibilities of district staff. During the review site visit, several Luling ISD staff appeared confused about the difference between policies, such as those found in the Board Policy Manual, and procedures, which breathe life into policies by providing more detail and specificity. During the review, written procedures for the Business Office were not available.

Without written procedures, Luling ISD does not have documentation of standard operating procedures. When these change, Luling ISD does not have an efficient and effective method of informing others of the changes. As a result, Luling ISD personnel communicate changes verbally, and staff outside of the Business Office do not have a written reference to use when they have questions or concerns. Luling ISD uses the Texas Enterprise Information System (TxEIS) administrative software for many business operations functions such as capital asset management, budget, and finance. The software incorporates a help function embedded in the online application; however, this will not substitute for training and written procedures that are lacking when a different staff member has to take on a new function, such as accounts payable. The CFO indicated that the district had

begun working on Business Office procedures, but the district did not share these with the review team.

Business operations are comprised of many functions. These include payroll, accounts payable, accounts receivable, funds held in trust, budgeting, revenue, general accounting, and auditing. Having written procedures for these processes is important for several reasons. When procedures are not written, responsibilities are not well documented, and the district is hampered in managing personnel. When procedures are aligned with job descriptions and personnel evaluations, they form the basis for holding employees accountable for their responsibilities.

In addition, written procedures are essential for managing emergencies and unforeseen absences as well as transitions between employees and succession planning. Continuity of business operations is critical. Luling ISD does not always know when positions will be vacant and whether vacancies will be for short or long periods of time. Without written procedures, it is more difficult for the district to ensure that Business Office processes could continue uninterrupted with substitute or new personnel. Written procedures also form the basis for managing process improvements. When a process or procedure changes, written revisions help communicate the change to staff and facilitate training to support the change.

Having detailed procedures is cited in publications from professional financial and accounting organizations as an important aspect of any organization's operations. For example, a publication from the Comptroller of Public Accounts, *Banks to Bonds: A Practical Path to Sound School District Investing*, differentiates between policies and procedures.

Many mistakenly believe that policy is procedure, but nothing could be further from the truth. Policy sets broad objectives and guidelines to define the board's intentions, and procedures establish the steps necessary to fulfill those intentions. Procedures also create a system of internal controls to ensure that no one deviates from that plan of action.

In addition, in the 2000 report *Top 10 Ways to Improve Public Schools*, the Comptroller of Public Accounts summarized insights gained from conducting school performance reviews for nine years in Texas. One of the recommendations is to "adopt policies and procedures—who knows who will be doing this job tomorrow." The report supports this recommendation by stating:

The concept of documenting daily activities in a step-by-step format seems foreign. Yet, in almost every school district reviewed, examples were found of key personnel abruptly leaving positions as a result of sudden illness, death, or other personal tragedies, and leaving the department in a state of chaos. Other examples abound of whole departments without trained back-ups for critical positions like payroll, and of poor training techniques that show new employees how to perform a task, but not why.

The report provides some specific best practices: “TSPR recommends that policy manuals be updated and kept current at all times. This means setting up a system for regular updates and distribution, as well as periodic reviews to ensure that all old policies are removed when no longer needed.”

In addition, Texas School Performance Review (TSPR) recommends that administrative procedures be formally documented, “with each administrator held responsible for creating and maintaining understandable, cross-referenced procedures.” One way that some districts cross-reference their procedures is by using the same coding system that the Texas Association of School Boards (TASB) uses to organize school districts’ board policies.

Business procedures manuals should be as comprehensive as needed for district circumstances. For example, Flatonia ISD, a district with an enrollment of 584 students in school year 2011–12, produces a *Business Procedures Resource Manual*, which addresses the major functions of its Business Office. The district updates the manual yearly and references

board minutes and other documents that support or include mandated changes. The manual also uses portions of the FASRG, as appropriate, to address particular subjects, such as activity fund accounting. Socorro ISD, which is much larger than Luling ISD, also uses this strategy in the district’s resource guide from the Financial Services Department. The manual is “an abbreviated version of TEA’s Financial Accountability System Resource Guide Version 14 customized by the SISD Budget Department for Socorro ISD.”

Luling ISD should develop written business operations procedures. The procedures should be aligned with job descriptions and evaluations. The Luling ISD CFO, with assistance from Business Office staff, should develop procedures for each of the main business operations functions. The procedures should incorporate processes and steps from the administrative software. The district can accomplish this by securing current training materials and selecting and revising the steps in the training to reflect actual district practice. **Exhibit 3–7** shows additional resources that the district can use to assist with developing the procedures. Each of these is available to the district at no additional cost. The district should not use procedures from any of these sources without customizing them for district use. While all school districts in Texas share the same legal framework in their board policies, both local policy and regulations can differ and differ greatly according to districts’ unique circumstances. However, all districts, large and small, rural, urban, and suburban share common responsibilities and functions. Therefore, it would be helpful and time-saving for

**EXHIBIT 3–7
RESOURCES FOR DEVELOPING BUSINESS OPERATIONS PROCEDURES
2013**

RESOURCE	SOURCE	COST
Regulations Resource Manual Note: These are generic and must be customized before use.	Texas Association of School Boards (TASB)	Luling ISD has already paid for access with TASB membership.
Policy Online for school districts, which includes regulations with board policies	Texas Association of School Boards (TASB), including Policy Online for the Austin, Round Rock, and Spring ISDs Note: TASB legal services review these before posting.	None
School district websites	Various school districts, including the Clear Creek and Henderson ISDs	None
Financial Accountability System Resource Guide (FASRG) Note: Includes descriptions of processes and many exhibits of examples from school districts. Districts must customize before use.	Texas Education Agency	None

SOURCE: School Review Team, January 2013.

Business Office staff to review the procedures of others while they are creating their own.

Luling ISD annually updates and posts its *Employee Handbook* on its website. The district should also post its business operations procedures on the website as they are developed, periodically update them, and provide the updates and training, as appropriate, to staff. The district should alert appropriate staff in writing when there are revisions that impact their job responsibilities. Posting procedures on the district website saves staff time and avoids printing costs. It can also streamline support for new staff. For example, a high school principal who hires a new coach can refer the coach to specific areas in the procedures that the coach needs to know about, such as purchasing and student travel. As appropriate, the district can secure signatures from staff acknowledging that they have reviewed pertinent portions of the procedures for which they have some responsibility.

The district can implement this recommendation with existing resources.

FUND BALANCE SYSTEM (REC. 17)

Luling ISD lacks a local, board-adopted fund balance policy to guide the district in both short- and long-term planning. The Board of Trustees has not identified fund balance for specific and anticipated purposes and needs other than to meet legal obligations for four of the past five years. The board also has not provided guidance regarding the fund balance to district administration via local board policy.

Through fiscal year 2010, TEA required districts to report fund balances according to the categories used by the Governmental Accounting Standards Board (GASB). These included the following:

- Reserved—generally set aside due to outstanding legal obligations;

- Designated Unreserved—for items that are tentative plans or commitments; and
- Undesignated Unreserved—available to finance monthly operations or for other purposes.

During this period, TEA also required external auditors to compute districts' optimum fund balances according to a worksheet in the FASRG and present the result in schedule J-3 in the annual financial and compliance reports. TEA defined the optimum fund balance:

The rule of thumb calls for the computation of the optimum unreserved undesignated fund balance equal to 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 the General Fund for the nine months for the following fiscal year.

In fiscal year 2008, Luling ISD's expenditures exceeded revenue by \$963,540. This was due in part to maintenance and equipment needs. The district offset this deficit by using \$370,540 of the general fund balance and obtaining a bank loan for \$593,000. The district ended fiscal year 2008 with a fund balance in the general fund of \$1,360,468, a decrease of 27 percent from the \$1,859,855 it had at the beginning of the year. This placed the district at year end with \$761,727 less in the general fund balance than what would have been the optimum, calculated according to TEA directions. During fiscal year 2009, the general fund balance increased slightly to \$1,320,687. This amount was \$889,776 less than the optimum. **Exhibit 3–8** shows Luling ISD's fund balances in these categories from fiscal years 2008 to 2010.

As a result of changes from the GASB, beginning in 2011, TEA required auditors to use an expanded list of different categories to report fund balance. The new categories were:

EXHIBIT 3–8

LULING ISD TOTAL GENERAL FUND RESERVED, DESIGNATED, UNDESIGNATED, AND OPTIMUM FUND BALANCES FISCAL YEARS 2008 TO 2010

FUND	2008	2009	2010
General fund balance	\$1,360,468	\$1,320,687	\$1,708,247
Reserved fund balance	\$77,720	\$192,463	\$34,711
Designated unreserved fund balance	-	-	-
Unreserved fund balance	\$1,282,748	\$1,128,224	\$1,673,536
Optimum fund balance and cash flow	\$2,122,195	\$2,210,463	\$3,097,211
Excess (Deficit) undesignated unreserved fund balance	(\$761,727)	(\$889,776)	(\$1,388,964)

SOURCE: Schedules C-1 and J-3 of Luling ISD Annual Financial and Compliance Reports 2008 through 2010; Review team calculations, January 2013.

- nonspendable, or not in a spendable form, such as inventories;
- restricted, legally obligated to others, for such items as retirement of long-term debt and construction;
- committed, for items that the school board has voted to approve, such as retirement of loans and self-insurance;
- assigned, for items that the board or a board-approved designee has acted on, including items that could be committed by board action but were not; and
- unassigned, available for any legal expenditure.

As of fiscal year 2011, the calculation of an optimum fund balance remained the same, but TEA no longer required auditors to include schedule J-3 in the annual financial and compliance reports. **Exhibit 3-9** shows Luling ISD’s fund balances in the new categories for fiscal years 2011 and 2012.

**EXHIBIT 3-9
LULING ISD TOTAL NONSPENDABLE, RESTRICTED,
COMMITTED, ASSIGNED, AND UNASSIGNED FUND
BALANCES IN THE GENERAL FUND
FISCAL YEARS 2011 AND 2012**

FUND	2011	2012
General fund balance	\$2,801,982	\$3,481,912
Nonspendable fund balance	\$37,553	\$7,427
Restricted fund balance	-	-
Committed fund balance	-	-
Unassigned fund balance	\$2,764,429	\$3,474,485
Total fund balance	\$2,801,982	\$3,481,912

SOURCE: Luling ISD annual financial and compliance reports, 2011 and 2012.

As shown in **Exhibit 3-9**, Luling ISD did not have a restricted fund balance or a committed fund balance in fiscal years 2011 and 2012. Luling ISD does not have a local fund balance policy to guide it in making decisions regarding the types of fund balance or to designate who may commit funds on behalf of the board. Luling ISD lacks the basis to develop a timeline of when portions of the fund balance will be needed for specific projects.

Because Luling ISD does not have a fund balance policy, it misses an opportunity to inform others of its long-term planning. Without information on designated, unreserved fund balances through fiscal year 2010 and on committed and restricted fund balances after fiscal year 2010, taxpayers

do not know what the school board and administration anticipate they will have to use fund balance to supply. This lack of communication could develop into a lack of trust or confidence in the ability of the district to plan ahead. Rating agencies that provide districts’ bond ratings are also interested in details concerning a district’s long-term plans for fund balance. Luling ISD’s lack of a fund balance policy provides rating agencies with little specific information. The FASRG notes that through 2010 “Bond rating agencies view undesignated unreserved fund balances as a reflection of the financial strength of school districts and show concern when district fund balances decrease.” After 2010, bond rating agencies have had a similar concern regarding committed and assigned balances.

Fund balance is of interest to taxpayers, regulatory agencies, and bond rating agencies. Because of this, TEA states that the following should be in the notes to the financial statements in annual financial and compliance reports:

- Committed fund balance
 - the district’s highest level of decision-making authority
 - the formal action required to establish a fund balance commitment
- Assigned fund balance
 - the body (such as budget or finance committee) or official authorized to assign amounts
 - the policy established by the school board regarding that authorization
- Minimum fund balance policy if a school district has a formal policy. The optimum fund balance schedule used by TEA does not constitute the school district’s minimum fund balance policy.

In addition, the district’s investment strategies are dependent upon anticipated uses of fund balance. When the district has committed or assigned a portion of the fund balance to specific needs, it has a timeline to use to decide how to invest that portion of the fund balance.

Of Luling ISD’s peer districts, in the 2011 fiscal year, Comfort ISD committed \$2 million of its fund balance for construction, and Littlefield ISD assigned \$5.04 million for various purposes. In all, Littlefield ISD assigned \$3.54 million to construction, \$1 million to capital expenditures for equipment, and \$0.5 million to other assigned fund balance. By taking these actions and by providing this information, these school districts have informed their

taxpayers of long-term needs. In addition, they have identified portions of their fund balance that could be invested in ways that match their plans.

The Government Financial Officers Association (GFOA) has published a best practice brief regarding “Appropriate level of unrestricted fund balance in the general fund.” The GFOA recommends that “governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund.” The Canutillo ISD has a local fund balance policy that addresses both the general and debt service funds. It provides both upper and lower limits for both and specifies that if lower limits are not attainable in one year, the board’s goal will be to reach them within three years.

Although TEA no longer requires external auditors to calculate optimum fund balance, the FASRG states that a board “may require audit work that exceeds the minimum auditing requirements described for the annual financial and compliance audit.” The FASRG identifies the “Optimum Fund Balance Calculation Schedule” as an optional item in the annual audit.

Luling ISD should establish a formal fund balance policy. This policy should include guidelines regarding the minimum allowable general fund balance as well as guidance for determining committed and assigned fund balance. The superintendent should work with the Board of Trustees to determine what guidance the board wishes to give the administration regarding the district’s fund balance. This will require consideration of the district’s short- and long-term needs. The policy should identify what the board wishes its role to be in assigning fund balance and who may assign fund balance. As appropriate, the board may need to pass a resolution with the designation. The board should also consider providing guidelines to the administration in terms of upper and lower limits of fund balance desired for both the general and debt service funds. The board should formally adopt this policy.

The district can implement this recommendation with existing resources.

SPECIAL PROGRAMS PERSONNEL EXPENDITURES (REC. 18)

Luling ISD has not established a consistent process to reconcile payroll funding with funding source requirements, actual responsibilities, and assignments. As a result, Luling ISD could be inappropriately charging some salaries to the state bilingual and the federal Migrant Education programs.

As of the date of the review team’s onsite visit, the district appeared to be charging 100 percent of the salaries and stipends for teachers in the bilingual education program to state bilingual funds. Stipends are an allowable expense, but teacher salaries are not. Since the time of the onsite visit, the assistant superintendent of Curriculum and Instruction reported that the district has addressed this by charging the salaries for the bilingual program teachers to local funds.

In addition, Luling ISD has a support position in the Central Office that has duties of a receptionist, an administrative secretary, and a migrant recruiter. As of the dates of the review team’s onsite visit, Luling ISD appeared to be paying 100 percent of the salary and benefits for this position from federal Migrant Education Program (MEP) funds. However, the portions of her time spent doing the duties of receptionist and administrative secretary are not allowable MEP expenditures. Since the time of the visit, the district indicated that this has been addressed. During the onsite visit, the employee was not keeping records of time expended in the MEP, however, since the onsite visit the district indicated that time and effort has been addressed. In addition, as reported by the employee, this position has some responsibility for the identification of homeless students in the district. However, there is no job description or provision in the present combined job descriptions to verify this responsibility.

Although staff members reported that the Luling ISD assistant superintendent of Curriculum and Instruction is responsible for federal funds, including MEP funds, the district does not have a job description for this position that was unable to verify that. Information specifying who was responsible for state program funds was not available in the district.

When a district makes unallowable expenditures from special programs funds, it risks having those expenditures disallowed and possibly being required to refund money to the state. In addition, the district then has to charge the expenditures to an alternate funding source, usually local funds. When the unallowable expenditures are for salaries and benefits, the impact on local funds can be difficult for the district to absorb without reducing other legitimate and planned expenditures from local funds.

Furthermore, when districts do not monitor and make the necessary changes to align special programs salaries and benefits with job descriptions and funding sources in a timely manner, it can be complex and time consuming for the

Business Office to make the changes needed. Finally, staff members who are split-funded from two or more special programs funds and local funds may not have kept adequate time and effort records to support payroll corrections made later in the year.

TEA summarizes and helps to explain the implications of state and federal law in the FASRG. Districts can consult this guide for answers to questions about allowable expenditures. To facilitate compliance with federal law regarding federal programs, such as the MEP, TEA provides a section in the funding application that includes the provisions and assurances that districts make as a condition of receiving the funds. One condition of accepting MEP funds is an assurance by the superintendent that the district is using those funds only for allowable expenditures.

Districts assign responsibility for knowing about allowable expenditures from special programs funds in job descriptions. They also ensure that the Business Office works closely with special programs administrators before the first payroll of a new fiscal year to confirm the special programs funding sources that are allowable for each position. Even with these measures in place, enrollment fluctuations, changes in personnel, new program data, and other factors can cause districts to adjust funding for payroll. The Public Education Information Management System (PEIMS) has a “snapshot date” each fall, the last week day in October, when districts finalize data submitted for the preceding year and begin submitting data for the current year. Many districts use the snapshot date as a target date for having all adjustments completed.

Luling ISD should develop a process to regularly ensure that the assignments and duties of personnel paid from state and federal special programs funds are reconciled with local, state, and federal funding sources. The superintendent or designee should review the duties of personnel paid from special programs funds, update the job descriptions for these personnel as needed, and direct the Business Office to make changes as appropriate. In particular, the Luling ISD assistant superintendent of Curriculum and Instruction and the CFO should ensure that salary and benefits charged to the state bilingual program budget are allowable. In addition, the superintendent or designee should examine the position that has the combined duties of a receptionist, migrant recruiter, administrative secretary, and homeless liaison to determine which funding sources should pay for the position and in what proportion. The district should determine the extent to which the person in this position has documentation for

time spent on the duties for the MEP. The Business Office should adjust the funding for the position accordingly. The superintendent or designee and the CFO should develop a procedure to prevent these types of coding issues in the future. The district reports that since the time of the onsite visit, the salaries of bilingual teachers and the migrant coordinator have been properly coded. Since the onsite visit, the district also indicated that job descriptions are being certified twice a year.

The district can implement this recommendation with existing resources.

PRE-KINDERGARTEN PROGRAM ENROLLMENT PROCEDURES (REC. 19)

Luling ISD’s practice of serving ineligible children in its pre-Kindergarten (pre-K) program without charging tuition results in the district assuming unnecessary costs and losing potential revenue. For the 2013 fiscal year, the district has two pre-K teachers who each teach two half-day classes which serve four year olds. Each teacher has a full-time aide. The total number of students served in the four sections is 79. Luling ISD has a memorandum of understanding with Community Action, Inc. of Central Texas to provide an additional half day of Head Start to 38 of these 79 students age four who are eligible for both Head Start and pre-K. Under this agreement, Community Action provides full-day Head Start programming for 17 children age three. Both Head Start programs use Luling ISD facilities. Community Action provides liability insurance and pays for electricity. During the five year period from school years 2007–08 to 2011–12, the district enrolled 422 children in its pre-K program. Of these, 74, or 17.5 percent, were not eligible for pre-K according to state admission criteria. These students included children of Luling ISD employees. District staff reported that Luling ISD has a practice of enrolling ineligible students in the pre-K program if there is room. Ineligible children are not included in the district’s average daily attendance, and the district does not earn any state funding for them.

Luling ISD could charge tuition for these students, but it does not. As reflected in board policy EHBG (LEGAL), TEC, Section 29.1531, allows districts to offer pre-K to ineligible children on a tuition basis, or they may use district funds. The policy further states:

The District may not adopt a tuition rate that is higher than necessary to cover the added costs of the program, including any costs associated with collecting, reporting,

and analyzing data under Texas Education Code, Section 29.1532(c) (regarding PEIMS data for pre-Kindergarten programs). The District must submit its proposed tuition rate to the Commissioner for approval.

The school board has not provided guidance in local policy regarding the participation of ineligible students in the pre-K program and whether or not to charge these students tuition. The district is assuming additional costs that are not necessary or mandated and also is losing potential revenue.

The relationship of the admission of ineligible children to the number of eligible children who are enrolled is another component of this issue. During the week of the review team's visit, 79 children were enrolled in pre-K. All four sections of pre-Kindergarten were at or close to 20 students. Each grade level served by the elementary school has approximately 100 students. Overall, according to fall 2012 PEIMS data, 19 percent of the students in the school are limited English proficient, and 76 percent are economically disadvantaged. Therefore, the district might reasonably expect that there are more than the 79 eligible students currently enrolled who would be eligible.

Once a district implements a pre-K program, it cannot turn away eligible children. District staff reported that when an eligible student enrolls in the district after the start of the school year, the district enrolls that student. The state caps class sizes at 22 students to one teacher in grades K–4. However, there is no state-imposed cap on pre-K classes. There is also no requirement to provide an instructional aide. The district has not defined in writing what “full” means in regard to pre-K classrooms. One administrator stated that the district caps pre-K classes at 18 or 19 students. Another stated the cap is 20 students. The district's agreement with Community Action provides a cap of 20 students.

As a result of the district's underwriting the entire cost of serving ineligible children in pre-K, the district is missing several benefits. First is the revenue that could be generated if the district charged tuition for ineligible students. The following describes the factors that the district might use to determine the revenue it could receive. According to LISD's *Academic Excellent Indicator System Report* for school year 2011–12, the district spent \$5,212 per student, from all funds, at the elementary school. The district paid approximately 31.2 percent of this amount, and the state paid approximately 66.9 percent. The district paid for 100 percent of the cost of ineligible pre-K students because they do not generate state funding.

The School Finance Division of TEA annually calculates and provides to districts the maximum amount they may charge for ineligible pre-K students. This is an upper limit, and districts may charge less than the upper limit, but they cannot charge more. For fiscal years 2011 and 2012, Luling ISD's upper limit for half day was \$3,474 per year, or \$386 per month. For fiscal year 2013, the yearly and monthly limits are \$3,268 per year and \$363 per month.

Regardless of whether the district would charge the upper tuition limit for ineligible pre-K students or some lower amount, providing tuition-free pre-K enrollment to the children of some employees is a relatively large employee benefit, especially if the district compared it with the cost of half-day child care in a private setting. Also, this benefit affects employees disproportionately. It positively affects those with ineligible pre-K age children enrolled but does not benefit those who do not have children that age or who choose not to enroll their children. Compared to a situation in which the district decided to use the funds now used for support of ineligible children for other employee benefits, the current situation actually negatively affects those who do not have pre-K children enrolled in the program. Employees who do not receive the benefit of tuition-free pre-K could choose to make a formal complaint. Without procedures, which would include the district's rationale for providing the benefit, it would be difficult for the district to defend its practice. Also, the district does not include the value of this benefit in reporting taxable income for employees.

Luling ISD should establish policies and develop procedures to govern enrollment of and tuition charged for ineligible students in the district's pre-Kindergarten program. The district should conduct a cost-benefit analysis to determine whether providing free pre-K services to these students is in the district's best financial interest. After conducting a cost-benefit analysis, the superintendent or designee should consult with the Board of Trustees to determine whether the board wishes to continue to use district funds to provide pre-K to ineligible students. The board's decision should be reflected in written policy. The district should review the pre-K procedures annually and revise them as needed to align with changes in state law and board policy. Should the district decide to charge tuition, either at the upper limit or lower, for ineligible children, TEA requires that the district must request approval for its rate and assure TEA that this rate does not exceed the district's costs. TEA provides a sample letter to accomplish this on its website. If the district chooses to continue providing free pre-K to ineligible

students, including employees' children who do not qualify for the program, the district should include the value of this benefit in reporting taxable income for participating employees.

The fiscal impact assumes that, based on the cost-benefit analysis, the district will choose to charge tuition for ineligible students enrolled in the pre-K program. It also assumes that the number of ineligible children served each year is the same as the annual average number of ineligible children enrolled in pre-K during school years 2007–08 to 2011–12. This annual average is 15 students. At the 2013 upper tuition limit of \$3,268 a year for a half-day pre-K program, assuming it will enroll the average 15 ineligible students, the district would receive an additional \$49,020 ($\$3,268 \times 15$) annually. Over a five-year period, the additional revenue, at the 2013 upper tuition limit for the average of 15 ineligible students, would be \$245,100 ($\$49,020 \times 5$). This is a conservative estimate of revenue based on the average annual number of ineligible students enrolled during the five previous school years and the fiscal year 2013 upper tuition limit for pre-K.

AFTERSCHOOL PROGRAM (REC. 20)

Luling ISD has not conducted a market analysis of the district's afterschool child care program to ensure parents are charged a competitive rate. Luling ISD provides an afterschool child care program called Kids Klub to employees and other parents in the community. It charges \$75 per month to non-employees and \$50 per month to employees. For both non-employees and employees, there is a \$50 per month fee for each additional child. Employees can choose to pay via payroll deduction. There is also a one-time registration fee of \$20 for both employees and non-employees. At the time of the review team's visit, the program was serving 40–43 students per day. Thus, maximum district revenue from the program ranges from \$3,000 to \$3,225 per month. For 40 children, the maximum revenue would be \$27,000 per nine month school year. The program operates for three hours each day. Parents are paying \$3.75 per day. This is a very low rate, and district staff acknowledged that it is not comparable with child care costs in the private sector. For comparison, one child care provider in Luling provided a telephone quote of \$75 per week, or \$300 per month, for afterschool care for a first grade child. This includes the cost of picking up the child at the elementary school.

The district initiated the afterschool program with a grant several years ago and elected to continue operating it. However, the district has not conducted a cost-benefit

analysis to determine if the district is expending more for this program than the revenue it is receiving, if the program is self-supporting, or if the program provides additional revenue to the district. This year, the district has budgeted \$24,602 for payroll and benefits for the program. It budgeted a total of \$2,200 for contracted services, supplies and travel. The total budgeted for the program is \$26,802. There are other additional program costs that the district has not captured in writing. These include utilities and custodial services. These additional costs may bring the total cost of the program to more than the revenue.

One Central Office support staff member collects the payments from parents and turns the money and checks in to the Business Office secretary. She reconciles the payments and payroll deductions with the number of children enrolled. There are no written procedures to guide her in handling late payments, returned checks, or discrepancies in payroll deductions for the program.

A growing number of districts in Texas are providing afterschool child care. For example, Fort Worth ISD began an afterschool care program in 2000, and the district currently provides afterschool care to over 12,500 students, free of charge. The district shares expenses for the program with TEA through 21st Century Community Learning Center grants. Austin ISD uses community partnerships to provide a no-cost afterschool program at 23 campuses. Frisco ISD contracts with other providers, including the YMCA, to provide afterschool care at its elementary schools. Frisco ISD also allows other independent groups and organizations to provide afterschool programs at its campuses. Allen ISD provides an after school care program that is entirely supported by tuition fees.

Because districts do not have an obligation to provide afterschool care, those that do not have grant funding or partnerships to defray program costs may turn to parents/guardians to make programs possible. **Exhibit 3–10** shows the features of the Luling ISD 2013 afterschool program compared to the programs of six other Texas school districts.

Luling ISD should conduct a market analysis of the Kids Klub program to ensure that the district is charging adequate and appropriate fees. The superintendent or designee should gather historical information about the Kids Klub program in the district and compare data to help the district understand how many children, on average, have participated each year and also help to establish patterns of participation, rates charged, and program costs. The superintendent or

**EXHIBIT 3-10
FEATURES OF AFTERSCHOOL CARE PROGRAMS IN LULING ISD AND SIX TEXAS DISTRICTS
2013**

DISTRICT	LULING	ALLEN	EANES	CYPRESS-FAIRBANKS	MANSFIELD	PLANO	ROCKWALL
District 2012 Enrollment	1,415	19,364	7,776	107,660	32,509	55,386	14,213
Grades Served	K-6	K-5	K-5	K-5	K-5	K-5	Pre-K-6
Annual One-Time Registration Fee	\$20 per child	\$40 per child	\$30 per child	\$40 per child	\$35 per child \$20 per two or more children	\$75 per child \$60 per addnl child	\$30 per child
Monthly Cost For One Child Full Time	\$75	\$222	\$295	\$260	\$220	\$260	\$260
Cost For Additional Children	\$50 per non-employee/ \$25 per employee	\$216	10% discount for each addnl child	\$260	\$220	\$217 - \$230	\$210
Monthly Cost For Part-Time Less Than 5 Days	Not specified	\$180	\$126 – 2 days \$197 – 3 days \$252 – 4 days	Not specified	Not specified	Not specified	Not specified
Discounts	Employee 33% discount	Employee 39% discount	Not specified	Employee 39% discount	Employee 39% discount	Employee 38% discount	Free/Reduced Lunch 50% discount
Payment Methods	Check, employee payroll deduction	Check, money order, online	Check, automatic bank draft, employee payroll deduction, online			Not specified	Online
Late Fees	Not specified	Not specified	\$35	Not specified	\$10	Not specified	Not specified
Online Registration	No	Yes	Yes	No	No	Yes	No

SOURCE: School Review Team, January 2013.

designee should compare the rates the district is charging with the rates other afterschool child care providers in the area charge. The superintendent should present this information to the Board of Trustees to help board members understand the district's choices in regard to the program. For example, the school board and administration need to determine if the program should be self-supporting, or if the district could or should underwrite any of the program's costs. The district charges employees a reduced rate. Because of the district's relatively high percentage of economically disadvantaged students (68 percent in school year 2011-12), the district might consider charging reduced rates to families who qualify for free or reduced-price lunch. The school board should create a local policy that reflects desired program parameters. The superintendent or designee should then develop a program manual with administrative

procedures to ensure that the program reflects the school board's policy.

The fiscal impact assumes that the district would increase its monthly fee for the Kids Klub Program. The calculation assumes the program will serve the same number of children that is served during the week of the review team's visit for a full nine-month school year. The fiscal impact also assumes that none of the children are siblings. During the week of the review team's onsite visit, the district served 18 non-employee children and five children of employees in the program. At current rates charged by the district, this number of children would provide \$1,600 [\$1,350 (\$75 non-employee tuition x 18 children) + \$250 (\$50 employee tuition x 5 children)] per month. This would equal \$14,400 (\$1,600 a month x 9 months) in tuition each year if all the children participate all nine months. The district also charges a one-time \$20 registration fee to all students, which results in \$460 in

revenue (\$20 registration fee x 23 children). Including the registration fee and tuition, the district would earn a total of \$14,860 (\$14,400 + \$460) this year. The district budgeted \$26,802 for the program for the current year. Depending on the number of children served for the full nine-month school year, at current rates, and if the initial budget accurately reflects anticipated expenses, the district is likely to lose funds. Serving the same number of students and increasing

tuition by 100 percent would result in \$28,800 [\$14,400 tuition + \$14,400 tuition (100 percent increase)] in annual revenue from tuition. Including the one-time registration fee would result in total annual revenue of \$29,260 (\$28,800 + \$460). With that increase, the district would receive an additional \$14,400 in revenue each year. In five years, the district could increase its revenue by \$72,000 (\$14,400 X 5).

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL	ONE-
						5-YEAR (COSTS) SAVINGS	TIME (COSTS) SAVINGS
CHAPTER 3: FINANCIAL MANAGEMENT							
15. Establish budget development and management processes that involve appropriate stakeholders, including the Board of Trustees, principals and other administrators, teachers, parents, community members, and campus-level site-based decision making committees.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16. Develop written business operations procedures.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17. Establish a formal fund balance policy.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18. Develop a process to regularly ensure that the assignments and duties of personnel paid from state and federal special programs funds are reconciled with local, state, and federal funding sources.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19. Establish policies and develop procedures to govern enrollment of and tuition charged for ineligible students in the district's pre-Kindergarten program.	\$49,020	\$49,020	\$49,020	\$49,020	\$49,020	\$245,100	\$0
20. Conduct a market analysis of the Kids Klub program to ensure that the district is charging adequate and appropriate fees.	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$72,000	\$0
TOTALS-CHAPTER 3	\$63,420	\$63,420	\$63,420	\$63,420	\$63,420	\$317,100	\$0

CHAPTER 4

ASSET AND RISK MANAGEMENT

LULING INDEPENDENT SCHOOL DISTRICT

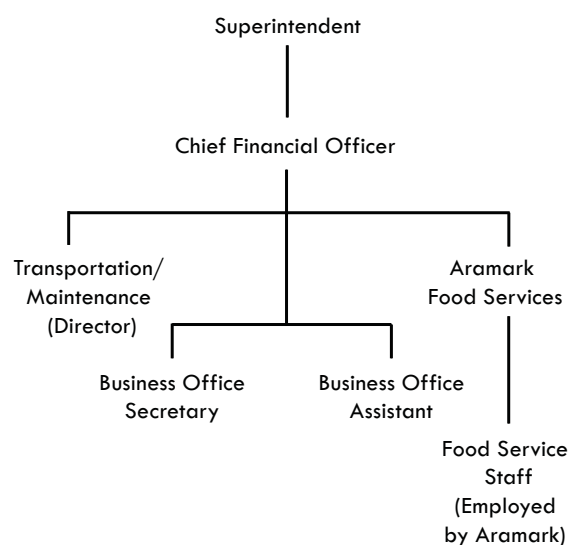
CHAPTER 4. ASSET AND RISK MANAGEMENT

Economic conditions and fluctuations in property values, state revenue, federal revenue, and discretionary funding opportunities continuously challenge Texas school districts to effectively use limited resources to meet student performance standards. School districts employ various methods to meet this challenge. Of these, one of the most important is asset and risk management. Effective asset and risk management approaches enable districts to function more efficiently without limiting the effectiveness of their educational programs.

School districts use asset and risk management techniques to protect tangible and human assets from both foreseen and unforeseen situations and events. Districts employ a variety of methods to manage assets in the form of cash. Districts with sound practices invest funds in ways that balance the needs for maximum interest earning potential, security of principal, and liquidity. Districts protect physical assets by tracking them and protecting their value through effective facilities management and property insurance coverage. It is not possible or reasonable to track every tangible asset a district owns, therefore school boards and school administrators choose the types and values of assets they wish to control through inventory management. Districts also secure insurance to protect themselves against damage and loss of assets. Because it is not cost effective to insure assets in ways that minimize the deductibles districts pay, school boards and school administrators consider the amount of risk they wish to assume along with the maximum deductible amounts they feel comfortable paying in case of loss or damage. Finally, districts employ various methods to protect human capital, their employees, and the students they serve.

In Luling Independent School District (Luling ISD), the chief financial officer (CFO) is responsible for the district's asset and risk management activities. The CFO supervises three additional district employees and one contractor. According to the job description for the position, the CFO directs and manages "all financial and business affairs of the district including accounting, payroll, purchasing, risk management, and tax collection." The CFO also serves as "the chief financial advisor to the superintendent and Board of Trustees" and oversees the Business Office, transportation/maintenance, and food service functions. **Exhibit 4-1** presents the areas of responsibility for Luling ISD's CFO.

EXHIBIT 4-1
LULING ISD'S CHIEF FINANCIAL OFFICER'S AREAS OF RESPONSIBILITY
SCHOOL YEAR 2012-13



SOURCE: Luling ISD, January 2013.

The Office of School Finance of the Texas Education Agency (TEA) has published and periodically revises a publication titled *School Finance 101: Funding of Texas Public Schools*. The publication explains that districts may set two tax rates.

A school district's property tax rate is made up of a maintenance and operations (M&O) tax rate and, if applicable, an interest and sinking (I&S) tax rate. As its name suggests, the M&O tax rate provides funds for the maintenance and operations costs of a school district. The I&S tax rate provides funds for payments on the debt that finances a district's facilities.

In November 2008, Luling ISD conducted a Tax Ratification Election (TRE). The district asked voters to approve an ad valorem tax rate of \$1.039 per \$100 of valuation. The district needed the voters' approval because this rate was \$0.079 higher than the district's rollback rate. The president of the Board of Trustees (Board) at the time of the review explained to the review team that the district wanted to do what has become known as a "TRE tax swap." With this approach the district would raise its M&O tax rate enough for it to also be used to pay its debt payments. This would mean that the district would not levy an I&S tax rate. The reason the

district cited for choosing to levy only an M&O tax is that state funding increases as this tax effort increases. However, state funding does not increase when I&S tax effort increases.

Districts can receive state funding to assist with their debt through either the Existing Debt Allotment (EDA) or the Instructional Facilities Allotment (IFA) for new construction. However, a district’s eligibility for EDA and IFA funding is not dependent on I&S tax effort but is instead dependent on actual debt payments. Luling ISD’s most recent long-term debt activity was a bond issue approved by the voters in 2001 and a refunding of some of that debt in 2006. The district used proceeds from the bond to construct classroom additions at three of the five instructional facilities in use by the district at that time. Luling ISD has since closed one of the three facilities at which additions were constructed due to declining enrollment. The bond also provided funds for the construction of a high school field house, a gymnasium, a high school band hall, and a maintenance facility and bus barn office. Funds were also used to remodel the fine arts building. Because that bond program provided for construction of instructional facilities, Luling ISD has qualified for IFA state funds to assist with its bond payments. **Exhibit 4–2** shows the amounts of debt service and state IFA assistance for fiscal years 2009 through 2012.

As a result of Luling ISD’s TRE in 2008, for fiscal years 2009 to 2012, the district’s total annual M&O tax rate was \$1.039 and the district did not levy an I&S tax for debt service during those years. However, in developing the budget for fiscal year 2013, the district needed roof repairs and two new buses and could not pay its anticipated expenses from the maximum M&O tax rate that voters had approved in 2008. To finance these purchases, the district resumed levying an I&S tax for debt service. For fiscal year 2013 Luling ISD’s M&O tax rate is \$1.0390 and its I&S tax rate is \$0.0762.

Luling ISD’s net assets at the end of year fiscal year 2012 were approximately \$10.50 million, an increase of 6 percent from fiscal year 2011 net assets of approximately \$9.90

million. **Exhibit 4–3** shows the district’s change in net assets on a government-wide basis for fiscal years 2011 and 2012.

Luling ISD purchases real and personal property insurance, liability coverage, and student athletic insurance. The district pays the premium for Teacher Retirement System of Texas Active Care health insurance for employees. Luling ISD participates in a shared risk workers’ compensation pool through School Comp. The district’s liability for workers’ compensation claims is limited. If the district’s claims exceed the limit, then it shares the cost of the excess claims with other members of the pool. Conversely, if other members’ claims exceed the limit, then the district is liable for its share of the other districts’ excess claims. All of the members of the pool protect themselves by purchasing a stop-loss policy. If claims exceed a predetermined aggregate limit, the stop-loss policy will pay the excess amount. Luling ISD protects its assets through its participation in the Texas Association of School Board’s (TASB) Risk Management Fund. This fund also provides errors and omissions coverage for district employees.

Luling ISD defines capital assets as items having an initial cost of more than \$5,000 and a useful life of more than one year. It depreciates its capital assets by using the straight line method according to generally accepted useful lives.

Board policy CDA (LOCAL) states that “the superintendent or other person designated by a Board resolution shall serve as the investment officer of the district.” The CFO reported that she is the investment officer; however, the district did not provide the team with the resolution required by board policy to designate the CFO as the investment officer. Both the superintendent and the CFO attended investment officer training as state law requires.

The CFO supervises the Business Office secretary in the handling of petty cash and cash receipts, not including those for activity accounts. The accounts payable clerk reconciles bank accounts on a monthly basis, and the CFO reviews the

**EXHIBIT 4–2
LULING ISD DEBT PAYMENTS AND STATE IFA PAYMENTS
FISCAL YEARS 2009 TO 2012**

	2009	2010	2011	2012
Luling ISD IFA Eligible Debt Service	\$364,260	\$365,460	\$365,245	\$359,481
State IFA Payment to Luling ISD	\$153,961	\$123,792	\$103,390	\$95,110
District share of Debt Service	\$198,271	\$228,440	\$248,842	\$257,122
IFA / District Percent of Total	44% / 56%	35% / 65%	29% / 71%	27% / 73%

SOURCE: Texas Education Agency IFA Payment Reports for School Years 2008–09 to 2011–12 and review team calculations.

**EXHIBIT 4-3
LULING ISD CHANGES IN NET ASSETS
FISCAL YEAR 2011 TO FISCAL YEAR 2012**

CHANGES IN NET ASSETS		TOTAL DOLLAR CHANGE	
REVENUES	2011	2012	2011-2012
Program revenues			
Charges for Services	\$208,673	\$183,802	(\$24,871)
Operating grants and contributions	2,545,914	1,870,463	(675,451)
General revenues:			
M&O taxes	3,695,966	3,955,514	259,548
I&S taxes	N/A	3,732	3,732
State aid – formula grants	7,015,689	6,292,549	(723,140)
Investment earnings	9,809	13,747	3,938
Miscellaneous	95,320	73,180	(22,140)
Total Revenue	\$13,571,371	\$12,392,987	(\$1,178,384)
EXPENSES			
Instruction	\$6,956,993	\$6,356,982	(\$600,011)
Instructional resources and media services	154,123	149,893	(4,230)
Curriculum and staff development	132,494	157,614	25,120
Instructional leadership	121,311	119,010	(2,301)
School leadership	886,936	821,746	(65,190)
Guidance, counseling, and evaluation services	275,278	211,431	(63,847)
Social work/health services	114,539	93,748	(20,791)
Student transportation	126,828	159,629	32,801
Food services	754,012	641,938	(112,074)
Co-curricular/extracurricular activities	444,424	455,257	10,833
General administration	595,499	673,878	78,379
Plant maintenance and operations	1,317,355	1,254,622	(62,733)
Security and monitoring	39,749	45,283	5,534
Data processing services	274,674	301,293	26,619
Community services	27,450	34,783	7,333
Debt service	219,352	203,045	(16,307)
Payments to fiscal agents	111,207	115,457	4,250
Total Expenses	\$12,552,224	\$11,795,609	(\$756,615)
Change in Net Assets	\$1,019,147	\$597,378	(\$421,769)
Net assets at 9/1/11 and 9/1/10	\$8,885,607	\$9,904,754	\$1,019,147
Net assets at 8/31/12 and 8/31/11	\$9,904,754	\$10,502,132	\$597,378

SOURCE: Luling ISD, Annual Financial and Compliance Report, December 2012.

reconciliations. The Business Office assistant handles payroll, benefits, employee absences and leave, and workers' compensation claims. The CFO reviews the work of the Business Office assistant in these areas. The district's third-party administrator is First Financial. First Financial handles the premiums for additional insurance coverage that employees elect. Luling ISD's third-party administrator does not offer a flexible spending account to district employees.

FINDINGS

- ◆ Luling ISD does not have a process for systematically analyzing and adjusting its investments to maximize returns.
- ◆ Luling ISD lacks a comprehensive risk management plan that coordinates policies, procedures, and staff responsibilities across the district to manage risks.
- ◆ Luling ISD lacks a coordinated approach for asset management.
- ◆ Luling ISD lacks written procedures for overseeing and managing activity accounts, including internal controls for reconciling activity account bank statements.

RECOMMENDATIONS

- ◆ **Recommendation 21: Develop procedures for analyzing investments and conducting cash flow forecasting to ensure that the district has appropriate investment strategies and investments.**
- ◆ **Recommendation 22: Develop a comprehensive risk management plan that coordinates policies and procedures, staff responsibilities, and strategies and tools across the district to manage risks.**
- ◆ **Recommendation 23: Establish policies and develop procedures for managing controllable assets and establish a standard process for tracking and disposing of them.**
- ◆ **Recommendation 24: Develop written procedures that clearly explain staff roles in managing and overseeing both activity funds held in trust for students and activity funds the district controls.**

DETAILED FINDINGS

CASH FLOW FORECASTING PROCEDURES AND INVESTMENTS (REC. 21)

Luling ISD does not have a process for systematically analyzing and adjusting its investments to maximize returns. The district does not conduct cash flow forecasting. School districts forecast cash flow for several reasons. Districts need to ensure they have enough cash to meet their payroll and purchasing obligations on time while avoiding late fees or other service charges. At the same time, districts perform cash flow forecasting to determine when and how they might invest idle cash to increase interest earnings.

According to the job description for the CFO position, the CFO is responsible for developing "periodic cash flow analysis to aid in determining cash available for investment and payment of bills." However, the CFO reported that the district does not forecast cash flow because it is not a problem. The TEA payment schedule for Luling ISD does not result in the district having to move funds from investment accounts into the general operating account before it receives state payments. The CFO reported that the state "settles up" the second or third week in September, and the district then has enough, together with ad valorem taxes collected during the year, to handle its obligations. The Business Office secretary pays bills as they arrive after confirming that the goods and services have been delivered in a satisfactory manner and the CFO has authorized payment. While this procedure helps the district avoid late fees, it also may require the district to keep some cash in accounts where it is not earning interest.

There are three banks in Luling. The CFO reported that the Board wants the district to do business with each of the three banks. The district's depository bank is IBC. IBC has been the depository bank for two years. At the time of the review, the district expected to publish a request for bids for the depository contract for the next two years in 2013.

Because of the Board's desire to conduct business with each of the banks in the community, the district has certificates of deposit (CDs) at the other two banks, Sage Bank and Citizens Bank. At the time of the review, Luling ISD had two certificates of deposit for \$250,000, one at Sage Bank and one at Citizens Bank. Each has a term of six months. The CFO reported that the interest earned on the CDs was 0.1 percent at one bank and 0.095 percent at the other. The CDs are insured by the Federal Deposit Insurance Corporation. The banks holding the CDs do not wish to collateralize them when their value exceeds \$250,000, so they issue checks on

interest earned to the district each quarter. The district also has an account in two investment pools, Texpool and Lone Star. The CFO stated that the interest rate Texpool was earning was 0.12 percent, and the Lone Star rate was 0.25 percent.

As a result of its failure to conduct cash flow forecasting, the district may not be maximizing interest returns on its investments. The Board's desire to conduct business with all three banks in the community may also negatively affect the district's investment returns.

Luling ISD should develop procedures for analyzing investments and conducting cash flow forecasting to ensure that the district has appropriate investment strategies and investments. The Comptroller of Public Accounts provides a publication entitled *10 Key Steps for Managing School District Investments*. One of the steps is "Know how much you have to invest through cash flow forecasting." This portion of the publication provides links to two other documents on cash flow forecasting: *Focus on Cash Flow Forecasting* from AJ Capital Corporation and *Cash Budgeting and Investing Program* from Northside ISD in San Antonio. The CFO should develop cash flow forecasting procedures with the assistance of the Regional Education Service Center XIII (Region 13), a school district financial professional, or other knowledgeable resource. The superintendent and CFO should then review the district's investment policy with the assistance of an investment professional, as appropriate, to develop investment strategies that meet the Board's objectives. The superintendent and Board should review the investment strategies and formally approve them.

No fiscal impact is assumed for this recommendation. It is based on the service the district chooses to assist with developing cash flow forecasting procedures. For example, Region 13 determines how much to charge for this service on a case by case basis.

COMPREHENSIVE RISK MANAGEMENT PLAN (REC. 22)

Luling ISD lacks a comprehensive risk management plan that coordinates policies, procedures, and staff responsibilities across the district to manage risks. Luling ISD does not have a written risk management plan. There is no staff member dedicated to risk management, and employees are only minimally involved in risk management activities. The district's policies, procedures, responsibilities established in job descriptions, are incomplete and fragmented with regard to risk management. For example, the job description for the CFO identifies risk management as one of the five primary

purposes of the position but does not provide any further information about the district's expectations in this area. The Athletic director's job description does not address safety even though the position is responsible for athletic facilities and equipment. It also does not address the Athletic director's responsibilities for student insurance.

Luling ISD uses TASB's board policy coding structure. Board policy series CK addresses safety programs and risk management. Beyond the legal frameworks, the district has three local policies in the CK series. Board policy CK (LOCAL), SAFETY PROGRAM/RISK MANAGEMENT, was issued in 1991 and directs the superintendent or designee to develop, implement, and promote a comprehensive safety program. However, the district has not established in job descriptions which position actually has this responsibility. This policy also identifies five "general areas of responsibility." **Exhibit 4-4** shows the areas of asset and risk management addressed in Board policy compared to responsibilities outlined in district job descriptions and documented written procedures.

Policy CKB (LOCAL) addresses the use of eye and face protective devices, but the district does not have administrative procedures that specify what they are, who should use them, or how they should be used. Board Policy CKC (LOCAL) addresses the district's emergency operations plan, but the district does not have administrative procedures regarding development of and training to support this plan.

The district tends to use generic TASB job descriptions, and the review team could not identify specific responsibilities for other risk management functions in job descriptions. A job description assigning responsibility for the emergency operations plan was not available at the time of the review. The Luling ISD CFO indicated that she manages the district's investments and debt, property and casualty insurance, and the workers' compensation program. The Maintenance director is responsible for developing a preventive safety program. The Technology director is responsible for technology assets and conducts an audit at the beginning and end of each school year. According to their job descriptions, principals are responsible for "supervising maintenance of facilities to ensure a clean, orderly, and safe campus." The junior high and high school principals are also responsible for "management of multiple activity funds."

Job descriptions for other positions do not directly address risk management. Because responsibilities for risk management are not always assigned, and because assigned

**EXHIBIT 4-4
LULING ISD ASSET AND RISK RESPONSIBILITIES OUTLINED IN BOARD POLICY COMPARED TO DISTRICT JOB DESCRIPTIONS AND WRITTEN PROCEDURES**

GENERAL AREA OF RESPONSIBILITY	LULING ISD JOB DESCRIPTIONS ADDRESSING THE AREA	LULING ISD WRITTEN PROCEDURES ADDRESSING THE AREA
Emergency Strategies	Maintenance director	Emergency procedures at each work station
Loss Prevention Strategies	None	None
Loss Control Strategies	None	None
Loss Financing Strategies	None	None
Vehicular Safety Strategies:		
Driver education	None	None
Vehicle safety programs	None	None
Traffic safety programs	None	None

SOURCE: Luling ISD CK (LOCAL) Board policy; interviews with Luling ISD staff; review team observations, January 2013.

responsibilities are spread out over several positions, the district is likely missing opportunities to reduce risk and loss. The CFO reported to the review team that the district had experienced some thefts of technology equipment, notably digital projectors. These thefts caused the district to replace equipment and install projectors in the ceilings. The district may not have appropriate or adequate property insurance because it has not identified individuals responsible for inventorying and tracking controllable assets.

In addition, not identifying a single position to assume responsibility for human resources in the district also hampers its efforts to manage risks. The district does not have an employee wellness program, for example, and no one has been assigned responsibility for investigating workplace accidents and injuries. A comprehensive risk management plan collects information about as many of the possible risks in the district as possible, prioritizes them, and brings together policies, procedures, and plans from across the district to prevent their occurrence and mitigate their impact. Risk management is often a challenge for smaller school

districts that cannot afford to have staff dedicated to the risk management function. However, there are many resources that can assist smaller districts as shown in **Exhibit 4-5**.

The Texas Association of School Business Officials (TASBO) offers training and support in risk management and has produced an Indicator System to Analyze and Assess the Components and Competencies of School Business Offices. Insurance and risk management is one area addressed in TASBO’s indicator system.

Luling ISD should develop a comprehensive risk management plan that coordinates policies and procedures, staff responsibilities, and strategies and tools across the district to manage risks. The superintendent should begin development of a risk management plan for the district. The first step is to conduct a risk assessment. There are several professional organizations that could assist with the assessment. The district belongs to the TASB Risk Management Fund, which is a self-insurance risk pool. **Exhibit 4-6** shows the areas in

**EXHIBIT 4-5
RISK MANAGEMENT RESOURCES**

RESOURCE	DESCRIPTION	WEBSITE ADDRESS
Public Entity Risk Institute	National nonprofit organization committed to assisting small local governments in risk management	www.riskinstitute.org
Public Risk Management Association	An association of public sector risk managers	www.primacentral.org
Risk Management for Public Entities	Publication on risk management issued as a part of the Insurance Institute of America’s Association in Risk Management certificate program	www.aicpcu.org
Texas Schools Risk Managers Association	An association providing assistance to Texas school districts, educational service centers, universities, and colleges with information on risk management.	http://www.txsrma.org/missionstatement.htm

SOURCE: Review team, January 2013.

EXHIBIT 4–6
TASB RISK MANAGEMENT FUND AREAS

RISK MANAGEMENT AREAS

Auto insurance
 Liability insurance
 Property insurance
 Unemployment compensation
 Workers' compensation
 Loss prevention

SOURCE: Texas Association of School Boards Risk Management Fund, www.tasbrmf.org.

which this organization can assist the district in assessing and managing this process.

After completing the risk assessment, the district should gather information about legal requirements and best practices in risk management. Based on legal requirements, information collected through the risk assessment, and best practices, the district will be able to formulate a risk management plan that is comprehensive. The plan should bring together all policies and procedures as well as provide for employee training. The plan should identify responsibilities for risk management in major categories and ensure that district job descriptions and personnel evaluation forms clearly assign those responsibilities to specific positions in the district.

The district can implement this recommendation with existing resources.

ASSET MANAGEMENT PROCEDURES (REC. 23)

Luling ISD lacks a coordinated approach for asset management. The district uses a centralized purchasing system through the Texas Enterprise Info System (TxEIS) administrative software. Most items purchased, with the exception of large paper orders and technology equipment, are received at the location where they will be used. The Business Office works with the campus staff to ensure that they report receipt in a timely manner. District staff reported that the district maintains records of capital assets, valued at an initial cost of more than \$5,000, in the TxEIS software, as they are purchased. Principals reported some confusion about their responsibilities regarding asset management. One reported that the district does not provide guidance on disposal of assets. The district stores assets at Rosenwald Elementary, which is now closed. The district maintains property insurance against theft and loss of its assets, but it does not have a coordinated approach to safeguarding them.

Assets such as computers and cameras are movable but also controllable. Even though their initial cost may be lower than the capitalization threshold, it is reasonable for districts to track them because they may be more easily misplaced and subject to theft. However, the district has access to, but has not implemented, the fixed assets module of TxEIS.

Luling ISD's processes for tracking controllable assets differ among departments. The Technology Department tags and tracks technology assets using the Fixed Asset Tracking System (FATS) software. This software is a separate system that is unrelated to TxEIS. The Technology director reported that the department does this not in response to district expectations or written procedures but in response to what Technology directors in area districts do. Because job descriptions for the technology department were unavailable, the review team was unable to discern what inventory responsibilities the district has formally assigned to department staff. The Technology Department bar codes technology-related controllable assets and room locations and conducts a physical inventory twice each year. At the beginning and end of the school year, technology staff members scan the bar code for each room that has controllable assets and then scans each asset in the room. They then compare what they scanned with what the database from the last inventory lists for each room. When assets are missing, staff can usually locate them by collaborating with other staff members to search for them.

The Athletic director's job description includes the expectation to "maintain a current inventory of supplies and equipment and recommend disposal and replacement of equipment when necessary." The Athletic Department maintains a spreadsheet of equipment and uniforms by sport. All uniforms are numbered, and students sign for them when they receive them. The department conducts an inventory of uniforms and equipment at the conclusion of each sport's season and uses the results to bill students and parents for lost items. When they cannot or do not pay, the coaching staff has the students assist with some managerial or other task in order to "work off" the amount owed. Thus, students are held accountable for some form of restitution when they lose athletic items. However, with the exception of the Athletic and Technology directors, other administrators could not describe their responsibilities for inventory of controllable assets.

The district has not specified the criteria for including an item in a controllable asset inventory, and, in the absence of guidance, most departments do not track them. Campuses

and other district departments do not conduct physical inventories or maintain records of controllable assets. These assets include maintenance equipment, equipment used in science laboratories, and equipment for physical education. The district does not have detailed procedures to guide employees regarding their responsibilities for assets. In addition, according to Board Policy CI (LEGAL), the Board “may dispose of property that is no longer necessary for district operations.” However, the district does not have procedures for declaring property to be unnecessary and disposing of it at fair market value, or, if it is of no value, disposing of it “according to administrative discretion,” as provided for in Board Policy CI (LOCAL).

Luling ISD should establish policies and develop procedures for managing controllable assets and establish a standard process for tracking and disposing of them. TEA publishes and annually updates the *Financial Accountability System Resource Guide* (FASRG). This guide brings together law, rule, and regulation regarding financial practices from federal and state sources. The FASRG provides guidance concerning the management, tracking, and disposal of controllable assets. It states that districts should practice:

- inventory control to account for items received and disbursed;
- monitoring of inventory turnover with legal disposition of items which are inactive (items which are inactive for twelve months should be considered for disposal);
- proper segregation of duties to prevent sole custody of inventories;
- periodic (at least annual) physical inventories as an independent means of establishing accountability; and
- physical inventory adjustments to be reviewed and approved by persons who do not have sole custody of inventories.

The district should determine and detail definitions of controllable assets and create tracking and disposal procedures in writing. The district should use these to guide and train staff in the proper handling of district assets. The procedures should provide the following:

- definitions and examples of controllable assets the district wishes to track;
- methods for identifying controllable assets, such as bar coding;

- staff responsibilities and accountability for assets;
- inventory database(s) used for record keeping, including procedures for making hard copy and electronic backups;
- frequency of physical inventories, such as annual or semiannual, including procedures for transferring assets from one location to another;
- procedures to follow when assets are missing and possibly stolen (to include responsibilities for making reports to police and the district’s insurance carrier, as appropriate);
- procedures to follow when the district disposes of assets that are no longer useful or needed, including procedures for making deletions from inventory records; and
- procedures to follow when assets are donated to the district.

The procedures should also address the technology and athletic department inventories. Generally, the Board approves both acceptance of donated assets and disposal of assets. The procedures should specify this and any other roles the Board has in regard to asset management.

The district should conduct a needs assessment to determine how to best implement these policies and procedures. Luling ISD should conduct a cost-benefit analysis of continuing to use FATS for technology assets only, or implementing the fixed asset module of TxEIS as a singular system for maintaining an inventory of all the district’s assets.

Region 13, which supports TxEIS, also supports a third party inventory tracking solution which integrates with TxEIS called TIPWEB IT. The FATS systems used by the district to inventory technology can also be used to inventory fixed assets.

The district can implement this recommendation with existing resources.

ACTIVITY ACCOUNT MANAGEMENT PROCEDURES (REC. 24)

Luling ISD lacks written procedures for overseeing and managing activity accounts, including internal controls for reconciling activity account bank statements. Fundraising efforts conducted using activity funds are not coordinated

with the district administration or considered in the budget process.

The fact that formal and routine means to make campus needs known to the Business Office has resulted in administrators seeking other sources of funding, notably through activity accounts. For example, the Athletic director and several coaches also reported that they routinely raise funds to supplement what the district provides for uniforms and equipment. In addition, coaches described a long-term fund raising effort that resulted in substantial enhancements to the press box at the football stadium. They reported having raised over \$14,000 for this effort.

There appears to be some confusion among district staff members, Board members, parents, and others regarding the allowable uses of various fund raising in the district. Luling ISD Board Policy CFD (LOCAL) differentiates between the two types of activity funds by labeling them as either student activity funds or district and campus activity funds. It also differentiates the responsibilities district administrators have for each type of fund. Regarding student activity funds, which the district holds in trust, it states:

The Superintendent or designee shall ensure that student activity accounts are maintained to manage all class funds, organization funds, and any other funds collected from students for a school-related purpose. The principal or designee shall issue receipts for all funds prior to their deposit into the appropriate District account at the District depository.

Regarding district and campus activity funds, the policy states:

The Superintendent shall establish regulations governing the expenditure of District and campus activity funds generated from vending machines, rentals, gate receipts, concessions, and other local sources of revenue over which the District has direct control. Funds generated from such sources shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose.

The district does not have such regulations.

As a result of activity account practices that allow administrators to use funds in ways that replace district funds, Luling ISD may not know the true costs of some of its programs, such as the athletic program. End-of-year assessments of the adequacy of funds allocated may be inaccurate. Needs assessments that form the foundation for future improvement planning and budgeting may also be

inaccurate and incomplete. Further, others who participate in fund raising may not understand the purposes for the funds and may not have confidence in the district's ability to manage and coordinate the funds if they are managed by others. As a consequence, donors may be hesitant to contribute in the future.

Module 1 of the FASRG explains the distinction between activity accounts that are agency accounts and activity accounts that are more properly classified as special or general revenue. Agency accounts do not belong to the district. They "are held in a custodial capacity by a school district, and they consist of funds that are the property of students or others." Examples include funds that belong to classes at the high school level. In contrast, "[l]ocally raised revenues used for general operating purposes, such as certain principal's activity accounts, are not agency funds, and are to be budgeted and accounted for in the Special Revenue Fund, or in some instances, in the General Fund."

Luling ISD also lacks internal controls for reconciling activity account bank statements. Written procedures for activity accounts were not available to the review team, with the exception of a form used to record deposits. One principal stated that there was some guidance in a teacher handbook; however, the school did not provide a copy for the team to review. The *Employee Handbook* does not address activity accounts or handling of funds. Staff members who raise funds for activity accounts generally reported the same process for turning in money collected. The staff member who sponsors a fund raising activity completes a form with details about the activity. The sponsor counts the cash and checks and records a total for each. The sponsor turns in the form and the revenue to the campus secretary. The secretary counts the cash and checks, provides a receipt to the sponsor, and fills out a deposit slip. The Business Office has instructed campus secretaries to make deposits on the same day they receive revenue from sponsors. If this is not possible, both the junior high and high school buildings have vaults that can secure the deposits until the secretaries can take them to the bank. Campus secretaries keep track of activity accounts on spreadsheets and provide monthly statements to sponsors.

The district's Business Office receives the monthly activity account bank statements, but does not reconcile them. Instead, the campus secretaries reconcile the statements with their records, including deposits slips. The district's external financial auditor noted in the review of internal controls conducted for the 2012 Annual Financial and Compliance Report that "the same individual who is preparing deposits is

also reconciling the bank statement.” The auditor suggested that campuses send their bank reconciliations to the Business Office for approval. However, at the time of the review, Luling ISD had not initiated this procedure.

Campus secretaries also handle athletic gate receipts. They are in charge of the petty cash and money boxes. Ticket takers count money and reconcile it to tickets sold before handing it into the administrator on duty, who counts the money and tickets a second time and secures it in the campus vault or Athletic director’s office until the next business day. The campus secretary recounts the money, reconciles it again to the tickets sold, and prepares deposit slips. The CFO has instructed the secretaries to deposit daily to avoid holding cash overnight.

As a result of the lack of written procedures for activity fund accounting, incoming activity funds may not be accurately recorded. Luling ISD does not know with certainty that activity account deposits are correctly deposited and that all funds collected are deposited.

Luling ISD should develop written procedures that clearly explain staff roles in managing and overseeing both activity funds held in trust for students and activity funds the district

controls. The procedures should specify the process fund raising groups must follow to raise funds and how the funds will coordinate with district initiatives and responsibilities. The procedures should incorporate the external auditor’s recommendation concerning activity account bank reconciliations. The district should use the procedures to train sponsors, the campus secretaries, staff who take up their duties in cases of unforeseen absences, and Business Office staff. The procedures should be included in the district’s *Employee Handbook*. The district should review the procedures at least annually and revise them as necessary.

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL	ONE-
						5-YEAR (COSTS) SAVINGS	TIME (COSTS) SAVINGS
CHAPTER 4: ASSET AND RISK MANAGEMENT							
21. Develop procedures for analyzing investments and conducting cash flow forecasting to ensure that the district has appropriate investment strategies and investments.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22. Develop a comprehensive risk management plan that coordinates policies and procedures, staff responsibilities, and strategies and tools across the district to manage risks.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23. Establish policies and develop procedures for managing controllable assets and establish a standard process for tracking and disposing of them.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24. Develop written procedures that clearly explain staff roles in managing and overseeing both activity funds held in trust for students and activity funds the district controls.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHAPTER 5

PURCHASING

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 5. PURCHASING

School districts purchase many goods and services in order to run their operations. Limited funding and economic conditions affect a district's ability to purchase these goods and services. In addition, because federal, state, and local funds, which all originate with taxpayers, finance a district's operations, the district has an obligation to not only get the best value but also to abide by all governmental laws, rules, and regulations that govern purchasing.

When the purchasing function within a school district is working well, it can contribute to employee satisfaction and lower cost of operations. When the purchasing function is not streamlined, it can negatively affect these same factors. Teachers and others can become frustrated when they do not receive orders in a timely manner, and the district can suffer from a lack of resources and funding. Ultimately, the purchasing function in a district can significantly enhance or hamper efforts to improve student performance.

To ensure the best value and quality relative to cost, district staff must follow established procedures and guidelines and provide feedback after purchases. This process allows staff to inform each other when vendors have met expectations and delivered goods and services that meet district needs and when they have not. Establishing timeliness for the purchasing process can also be critical to district operations, especially in ensuring that teachers receive the resources necessary to help students meet performance standards.

Compliance is equally as important as clearly defined procedures and staff collaboration. Specific state and federal laws and regulations govern how districts purchase goods and services, especially in terms of ensuring that districts use competitive processes that result in efficient purchasing decisions. The Texas Education Agency (TEA) has produced and periodically updates the *Financial Accountability System Resource Guide* (FASRG) to assist school districts in complying with state and federal expectations pertaining to many areas of business operations. Module 3 of the FASRG addresses purchasing. This module contains federal and state law and regulation as well as best practices that can assist districts with compliance and pursuit of excellence in the purchasing function. In addition, local school boards and the central administration of school districts may adopt policies and procedures that further restrict and guide the purchasing activities of employees. Participation in purchasing

cooperatives is one method districts use to ensure their purchasing activities are lawful. This can be especially important in smaller districts without a dedicated purchasing department.

Luling Independent School District's (ISD) purchasing function is centralized in the Business Office under the supervision of the chief financial officer (CFO). The CFO approves all purchase orders, obtains bids, when applicable, and makes recommendations to the superintendent and the Board of Trustees. The CFO also maintains the vendor file in the district's administrative software, Texas Enterprise Information System (TxEIS). Luling ISD administrators, including campus principals, also approve requisitions charged to the budgets they control.

As a general rule, campus administrative support staff enter requisitions into TxEIS. This web-based software alerts administrators such as principals via email when they have pending requisitions to approve. Upon approval, the software routes the requisitions to the CFO, who reviews them to ensure compliance with applicable rules and regulations and assures that there are enough funds to support the purchase. The CFO then directs the software to produce a purchase order.

Luling ISD is a member of two cooperative purchasing programs: the Texas Association of School Board's (TASB) Buy Board and the state of Texas Comptroller of Public Accounts' purchasing cooperative, the Texas Multiple Award Schedule program. When Luling ISD purchases through these cooperatives, it does not have to solicit bids itself or manage the selection process. This process saves the district time and ensures compliance with applicable laws and regulations. TASB summarizes for its members applicable laws, attorney general opinions, and court rulings regarding purchasing into one legal framework, CH (LEGAL). Luling ISD's board policy manual contains the same CH (LEGAL) common to all school districts in the state. In addition, Luling ISD board policy CH (LOCAL) directs the superintendent or designee to secure bids or competitive sealed proposals for purchases. It also requires the administration to obtain board approval for "any single, budgeted purchased of \$10,000 or more."

Luling ISD and Regional Education Service Center XIII (Region 13) have seven contracts. These include four contracts for instructional coaching at each of its campuses, a contract for Language Proficiency Assessment Committee technical support, one for curriculum program (CSCOPE) training, and one for 5E Lesson Design and Balanced Literacy support and training. Luling ISD is also a member of 14 cooperatives at Region 13. These include:

- Business Management Cooperative;
- Discovery Education Streaming Video;
- CSCOPE;
- Curriculum Council Network;
- Distance Learning Network;
- Public Education Information Management System (PEIMS) Cooperative;
- TxEIS: State-Sponsored Student Information System;
- Homeless Education Cooperative;
- State Compensatory Education Co-op;
- Title III English Language Acquisition, Language Enhancement & Academic Achievement for Immigrant Students Shared Service Arrangement;
- Career & Technical Education Shared Service Arrangement;
- Counselor Services Network for All Level School Counselors, Licensed Specialists in School Psychology, Diagnosticians, and Social Workers;

- First Time Campus Administrator Induction Academy Cooperative; and
- Turnaround Support Collaborative.

Because of the district's state and federal accountability ratings, the Region 13 Turnaround Support Collaborative is of special interest. Luling ISD has elected to participate in one of the 11 specific services offered through the collaborative, Data Revolution, for Luling Junior High School. Due to changes in Region 13 staffing, the school did not receive this service during the fall semester of school year 2012–13. The district expects to receive the service during the 2013 spring semester.

Exhibit 5–1 shows Luling ISD's contracted services in addition to those from Region 13. Because a list of district contracts was not available, the review team compiled this information from interviews with Luling ISD staff. As a result, this information may represent only a partial list of contracted services received by the district.

The only commodity that Luling ISD receives and stores in a central location is paper. The district does not operate a warehouse to either receive or ship other goods; therefore it directs vendors to deliver to various addresses within the district. However, the district requires that all invoices be sent to the address of the central administration, which helps to ensure that the district is aware of all materials delivered.

**EXHIBIT 5–1
LULING ISD UNIFORM BUDGET CYCLE
SCHOOL YEARS 2010–11 TO 2012–13**

SPORT	AMOUNT	YEAR	SPORT	AMOUNT	YEAR	SPORT	AMOUNT	YEAR
Volleyball	\$2,500	2010–11	High School Football	\$8,000	2011–12	Baseball	\$3,000	2012–13
Men's Basketball	\$2,500	2010–11	Power Lifting	\$500	2011–12	Softball	\$3,000	2012–13
Women's Basketball	\$2,500	2010–11	Junior High Football	\$1,500	2011–12	Cross Country	\$1,334	2012–13
Tennis	\$750	2010–11				Golf	\$1,333	2012–13
Track	\$1,750	2010–11				Track	\$1,333	2012–13
Total	\$10,000	2010–11	Total	\$10,000	2011–12	Total	\$10,000	2012–13

SOURCE: Luling ISD Athletics Office, January 2013.

ACCOMPLISHMENT

- ◆ Luling ISD has created and is following a 10-year cycle to budget for and purchase athletic uniforms.

FINDINGS

- ◆ Luling ISD does not have a process for compiling and maintaining an approved vendor list.
- ◆ Luling ISD does not have comprehensive written procedures to guide district staff in purchasing.
- ◆ Luling ISD lacks a streamlined process for managing purchase orders, which results in unnecessary delays in providing services, supplies, and materials to staff and students.
- ◆ Luling ISD does not have uniform procedures, supported by documentation, for management of contracted services.
- ◆ Luling ISD does not have an effective process for inventorying textbooks and instructional materials, which has the potential to result in significant losses.

RECOMMENDATIONS

- ◆ **Recommendation 25: Produce and maintain an approved vendor list.**
- ◆ **Recommendation 26: Develop written procedures for purchasing that include guidelines and forms for district staff to document purchasing activities.**
- ◆ **Recommendation 27: Establish a system for processing purchase orders that clearly defines the responsibilities of staff involved and includes a timeline for submitting orders.**
- ◆ **Recommendation 28: Develop written administrative procedures for management of contracted services.**
- ◆ **Recommendation 29: Define comprehensive policies and develop procedures for inventorying textbooks and instructional materials that include a process for implementing an annual inventory.**

DETAILED ACCOMPLISHMENT

ATHLETIC UNIFORMS PURCHASING CYCLE

Luling ISD has created and is following a 10-year cycle to budget for and purchase athletic uniforms. In 2009, a previous superintendent and Athletic director developed a

district “Uniform Budget Cycle.” The cycle is a table that lists, for each junior high and high school athletic team, what uniforms the district will purchase each year from school years 2010–11 to 2018–19. The table also lists anticipated amounts to be budgeted for each team in the year in which they will receive new uniforms. **Exhibit 5–1** shows the portion of the table including school years 2010–11 to 2012–13. The full table contains similar cells for school years 2013–14 to 2018–19.

The district has continued to adhere to this plan for four years, despite turnover in superintendents, junior high and high school principals, Athletic directors, and coaches during that time. While the costs captured in the table will likely increase and will require revision, the amounts in the table provide a useful starting point for the Athletic director, principals, and the Business Office to use when creating the athletic budget each year. In addition, in the case of financial shortfalls and emergencies, the table can capture where the district could suspend or lower support and provide a starting point for the district when resources increase and the district can resume the implementation of the cycle.

Athletic uniforms generally wear out on a predictable basis. In addition, some sports, such as football, require more uniforms and equipment and more frequent replacement than others, such as cross country. TEA lists athletic uniforms and equipment in the Purchasing Module of the FASRG as one of the procurement categories that a district should monitor and aggregate across time to ensure that, if the district is using a single vendor, the district remains in compliance with procurement law.

As Athletic directors and coaches move in and out of a district, and as they change coaching assignments from year to year, there is a possibility of differential treatment in funding and support for the various teams. Differential treatment can lower morale among both students and staff and hinder a district’s ability to provide a full complement of athletic activities in which students can participate. Written procedures and plans help ensure continuity of operations and equity in a climate of change.

Luling ISD’s continued use of this document to guide district practice provides an example of the enduring, positive effect that written procedures and plans can have, especially when there is staff turnover, as Luling ISD has experienced in recent years.

DETAILED FINDINGS

APPROVED VENDOR LISTS (REC. 25)

Luling ISD does not have a process for compiling and maintaining an approved vendor list. During the onsite review, an approved vendor for Luling ISD was not available. The Business Office referred the review team to the vendor file in the administrative software, TxEIS. The vendor file is a simple list of vendors in the administrative software that the district has used. It lists all vendors unless the district purges it periodically. However, an approved vendor list includes only vendors that have been formally approved to do business with district.

At the time of the review, Luling ISD's TxEIS vendor file contained approximately 2,700 vendors, and it appeared that many were inactive. Furthermore, Business Office staff could not recall when the vendor file was last purged. Without an approved vendor list, district staff must research various vendors to meet their needs. The Business Office does not inform staff of issues with vendors and does not purge inactive or unsatisfactory vendors from the vendor file. As a result, district and campus staff can unknowingly engage vendors with a history of problems, which could result in a failure to obtain competitive pricing and quality products as well as delays in receiving materials.

District staff provided an example of this situation. The elementary school purchased chairs for students in grade 5 for school year 2012–13. School staff worked with one vendor to select chairs that met the school's particular needs. When the purchase order arrived at the Business Office, staff suggested a different vendor that the district had worked with in the past. Despite a cost increase, school staff deferred to the Business Office, which delayed the purchase. When the chairs arrived at the elementary school, it was determined they were not suitable for their intended use. At the time of the review, the school had not received the appropriate chairs. Thus, the district may have failed to secure competitive pricing and also experienced a delay in providing the chairs to the students.

Without an up-to-date approved vendor list, the district also lacks a tool to encourage vendors to provide quality products and timely service. When there is a problem with an order, a district with a vendor list can communicate to the vendor that the district will remove the company from the list if the vendor does not provide a satisfactory resolution to the problem.

TEA provides best practices in purchasing for Texas school districts in Module 3 of the FASRG. Module 3 states that districts "should compile an approved vendor list." It further suggests that vendors complete an application form in order to be included on the list. As an example, TEA provides a copy of a vendor application that Brownsville ISD uses. **Exhibit 5–2** shows the items included in this example vendor list application.

EXHIBIT 5–2 BROWNSVILLE ISD PURCHASING DEPARTMENT VENDOR APPLICATION FORM CONTENTS JANUARY 2010

Description(s) of the goods and services the vendor provides, broken down into categories, if there are several

Company name

Contact person

Mailing address

Fax and telephone numbers

SOURCE: Texas Education Agency, Financial Accountability System Resource Guide, Purchasing Module 3 Update 14.

In large districts that have a separate purchasing department, department staff are responsible for periodically updating the approved vendor list and distributing it to campuses and departments within the school district so that school district employees are aware of the approved vendors. Smaller districts can accomplish the same result by obtaining vendor applications and periodically using these to purge inactive or unapproved vendors from the vendor file in their administrative software. The FASRG identifies this activity as one that clerical staff can accomplish with oversight from an administrator.

Maintaining an approved and periodically updated vendor list can provide several benefits to the district. It can help employees identify vendors who have maintained a record of good service. It can assist the district in dealing with orders with which they have had problems. When products and services do not meet district expectations, the district can notify the vendor that it may be taken off the vendor list. The district can also include the vendor application process as a first step in qualifying vendors to provide competitive quotes. It may also be helpful for interlocal agreements, such as the agreement Luling ISD has to participate in the Caldwell County Special Education Cooperative, to include a provision for developing a vendor list as well. A vendor list helps ensure that members of the cooperative are comfortable with the vendors the cooperative uses.

Luling ISD should produce and maintain an approved vendor list. This list should be reviewed regularly to purge obsolete vendors and any changes made to the list should be reflected in the district's administrative software. As part of this process, Luling ISD should purge the current vendor file to delete firms that the district has not done business with in the last two to three years. The district should also create a vendor application form and begin requiring all new vendors to complete an application. The CFO should include policies and procedures regarding the vendor application form and the approved vendor list in a written business operations manual. The district should periodically (at least annually) train staff on this aspect of purchasing.

The district can implement this recommendation with existing resources.

PURCHASING PROCEDURES (REC. 26)

Luling ISD does not have comprehensive written procedures to guide district staff in purchasing. Luling ISD does not have written purchasing procedures beyond board policies CH (LEGAL) and CH (LOCAL), the *Employee Handbook*, and district forms. The following is what Luling ISD has included in the handbook under the heading of Purchasing:

Purchasing Procedures

Policy CH

All requests for purchases must be submitted to the Business Office on an official district purchase order (PO) form with the appropriate approval signatures. No purchases, charges, or commitments to buy goods or services for the district can be made without a PO number. The district will not reimburse employees or assume responsibility for purchases made without authorization. Employees are not permitted to purchase supplies or equipment for personal use through the district's Business Office. Contact the Business Office for additional information on purchasing procedures.

This description is outdated because Luling ISD now manages purchase orders online through its administrative software. The provision in the handbook for contacting the Business Office for additional information is neither adequate nor efficient, especially for busy campus administrators who initiate a large proportion of the district's purchases. Not providing accurate and specific purchasing policies and procedures that administrators can refer to at any time, without having to contact the Business Office directly, is inefficient for both administrators and Business Office staff.

It may be challenging for administrators to manage routine purchases themselves and limit consultation with the Business Office for purchases that are more complex, such as contracted services that require board approval. While the administrative software does have an embedded help function that provides some guidance for entering requisitions into the software, it is limited in scope and accessibility.

The Texas Education Code, Sections 7.102(c), (33), 44.001, 44.002, 44.007, and 44.008, contain legal requirements for school district financial operations. Specific details about the requirements are provided in the Texas Administrative Code, Chapter 109, which addresses budgeting, accounting, and auditing. While school districts can and must access these two primary sources, districts often need additional detail and explanation to determine what compliance with the Texas Education and Administrative Codes looks like in actual practice. To assist with this, TEA has produced the FASRG. This guide brings together law, rule, and regulation regarding financial practices from federal and state sources into one place. It also describes and includes examples of best practices from Texas school districts. TEA periodically updates the FASRG and makes it available on the agency's website. The FASRG is extensive, consisting of 11 modules, nine of which apply to public school districts. One module addresses purchasing, and provides information helpful to both business operations staff and other district administrators. Interviews with Luling ISD staff indicated that, with the exception of the CFO, staff were not familiar with the FASRG or the FASRG Purchasing Module.

District and campus staff provided feedback to the review team on their perceptions of the purchasing processes through a survey. Overall, data indicate that more than half of district personnel (54 percent) and approximately a third (37 percent) of campus staff find purchasing processes cumbersome. In addition, a relatively high percentage of both district (62 percent) and campus (35 percent) respondents did not have an opinion about whether the district acquires high quality materials and equipment at the lowest cost. The lack of opinion may result from lack of involvement in the purchasing process. **Exhibit 5-3** shows response data on several purchasing-related survey items.

In interviews, some principals reported that they did not know much about budget coding and were frustrated by delays in securing supplies and materials. One expressed frustration that she "did not know the rules" that applied to purchasing and often found herself "in trouble" with the Business Office regarding orders.

**EXHIBIT 5–3
LULING ISD DISTRICT AND CAMPUS STAFF SURVEY RESULTS
JANUARY 2013**

SURVEY QUESTION		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	RATING AVERAGE
Purchasing processes are not cumbersome for the requestor so I get what I need when I need it.	District	0%	27%	19%	42%	12%	2.62
	Campus	3%	42%	17%	30%	7%	3.05
The district acquires high quality materials and equipment at the lowest cost.	District	0%	27%	62%	4%	8%	3.08
	Campus	4%	42%	35%	15%	3%	3.29
The district provides teachers and administrators appropriate materials in a timely manner.	District	N/A	N/A	N/A	N/A	N/A	N/A
	Campus	5%	38%	19%	32%	7%	3.04

NOTES:

- (1) N/A indicates the district was not asked.
 (2) Totals may not add to 100 percent due to rounding.

SOURCE: Review Team Survey, January 2013.

The Luling ISD CFO reported that the district was working on the development of a business operations manual. However, the district did not share any additional information or a draft, and it is unclear if the manual will incorporate purchasing requirements, guidelines, and forms. While districts can choose to address purchasing in a separate manual, smaller and midsize districts such as Luling ISD more often incorporate purchasing into a general business operations manual.

Purchasing Module 3, Update 14 of the FASRG addresses the need for purchasing procedures. The FASRG captures purchasing best practice by stating, “Every school district, large and small, should have a written manual describing its purchasing policies and procedures.” When written procedures are accompanied by training and annual review and revision, employees have an up-to-date source of guidance that is time saving and efficient and results in greater compliance.

The FASRG recommends specific components that districts should include in its written purchasing procedures. **Exhibit 5–4** compares these components with the limited purchasing guidance Luling ISD employees now have in board policy, the *Employee Handbook*, and district forms.

Luling ISD should develop written procedures for purchasing that include guidelines and forms for district staff to document purchasing activities. The Luling ISD CFO and other key stakeholders should develop administrative procedures regarding purchasing and forms for use by district staff. Several school districts in Texas post their purchasing procedures in business operations or purchasing manuals on their websites. Lamesa ISD is one example. The district posts

a business office procedures manual on its website and further elaborates on purchasing procedures in a secretary manual. In developing its own procedures, Luling ISD should consult those of other districts as well as the Purchasing Module of the FASRG. The district should make the procedures readily available through the district website and review and revise them at least annually or whenever there are significant changes in law and/or board policy. In addition, the district should conduct purchasing training at least annually for employees.

The district can implement this recommendation with existing resources.

MONITORING OF REQUISITION, PURCHASE ORDER, AND RECEIVING PROCESSES (REC. 27)

Luling ISD lacks a streamlined process for managing purchase orders, which results in unnecessary delays in providing services, supplies, and materials to staff and students. There is general dissatisfaction among Luling ISD staff with the purchase order process used by the district. The process begins with a requestor and includes purchase order approvers the district has identified and created accounts for in the administrative software. The review team asked the junior high school campus secretary to produce a report of requisitions that principals and the CFO had approved in the administrative software and that the Business Office had not processed further. The campus report showed 53 orders that had not been processed. Some dated back to the beginning of school year 2012–13, including 11 that were initiated in September, 18 each in October and November, and three each in December and January.

EXHIBIT 5–4
LULING ISD WRITTEN PURCHASING PROCEDURES AND FORMS COMPARED TO TEA-RECOMMENDED PURCHASING MANUAL
CONTENT
JANUARY 2013

FASRG-RECOMMENDED PURCHASING MANUAL CONTENT	LULING ISD WRITTEN PURCHASING PROCEDURES
Purchasing goals and objectives	not addressed
Statutes, regulations, and board policies	referenced, not addressed
Purchasing authority	limited
Requisition and purchase order processing	not addressed
Competitive procurement requirements and procedures	not addressed
Vendor selection and relations	not addressed
Receiving	not addressed
Distribution	not addressed
Disposal of obsolete and surplus property	not addressed
Request for payment vouchers	not addressed
Repair and service of equipment	not addressed
Forms	
Bid or proposal	not addressed
Purchase order	not addressed
Purchase requisition	not addressed
Receiving report	not addressed
Vendor performance evaluation form	not addressed
Request for payment voucher	not addressed

SOURCE: Texas Education Agency, FASRG, Purchasing Module 3 Update 14; review team assessment.

In addition to contributing to inefficiency, frustration, and low morale, delays in processing purchase orders can directly contribute to low student performance. Upon arriving in Luling ISD in August 2012, the superintendent determined that failure to implement a high quality aligned curriculum using instructional strategies that promoted active student participation was responsible for much of the district's low student performance. He assured the campus staff that the district would provide whatever they needed to implement the curriculum with fidelity and effectiveness. Delays in providing the instructional materials needed may have become a barrier to Luling ISD's efforts to improve student performance as well as improve its state and federal accountability ratings.

Luling ISD should establish a system for processing purchase orders that clearly defines the responsibilities of staff involved and includes a timeline for submitting orders. The superintendent or designee should monitor the time expended between when a requisition is approved in the administrative software, when the associated purchase order is created and processed, and when the purchasers receive the

goods and services ordered in order to make process improvements that result in timely procurement and greater internal customer satisfaction. The superintendent or designee should survey the staff periodically in order to gauge perceived improvements.

The district indicated that since the review, they have a streamlined process, but no additional information was provided regarding the process.

The district can implement this recommendation with existing resources.

CONTRACTED SERVICES MANAGEMENT PROCEDURES (REC. 28)

Luling ISD does not have uniform procedures, supported by documentation, for management of contracted services. As shown in **Exhibit 5–5**, the district annually budgeted for and expended between \$1 million and \$2 million for contracted services in the past three years. Both the total amount and the percent of total expenditures spent on contracted services increased each year while overall expenditures decreased.

**EXHIBIT 5–5
LULING ISD CONTRACTED SERVICES
FISCAL YEARS 2009 TO 2011**

FISCAL YEAR	2009	2010	2011
Expended for Contracted Services	\$1,788,052	\$1,865,417	\$1,948,832
Total Governmental Activities Expenditures	\$13,728,497	\$13,476,102	\$12,552,224
Percentage of Total Governmental Activities Expenditures	13%	14%	16%

SOURCE: Luling ISD Expenditure Reports on district website and Annual Financial and Compliance Reports; review team calculations.

Exhibit 5–6 shows Luling ISD’s contracted services in addition to those from Region 13. Because a list of district contracts was not available, the review team compiled this information from interviews with Luling ISD staff. As a result, this information may represent only a partial list of contracted services received by the district.

A complete list of current contracts was not available at the time of the review. Luling ISD does not have an employee dedicated to overseeing purchasing and entering into and

managing contracts. The district’s CFO indicated that she reviews all contracts. However, Luling ISD does not have written procedures to affirm this process. In addition, Luling ISD lacks any written guidance for entering into contracts, keeping contract documentation, or ongoing review and monitoring of vendor performance.

Luling ISD’s CFO initiates and files agreements, commitments, or contracts directly for functions related to business operations and central administration. These

**EXHIBIT 5–6
LULING ISD’S CONTRACTED SERVICES, AGREEMENTS, COMMITMENTS, AND CONTRACTS
JANUARY 2013**

CONTRACT	SERVICE(S) PROVIDED
ARAMARK	Food service
AT&T	Telephone services
Caldwell County Special Education Cooperative	Special Education services
City of Luling	School Resource Officer
CSCOPE	Curriculum management system and content
Community Action Inc. of Central Texas	Head Start
Eduphoria PDAS	Professional Development Appraisal System (PDAS) software and training
Insight	Wireless networking
MSB	Case E SPED paperwork software
Nutrakids	Food service payments management
Regional Day School for the Deaf-SSA	Services for students with hearing impairments
School Messenger	Family notification system
Singleton, Clark & Co.	Audit services
Speech Pathologist	Speech-language services
Sprint/Nextel	Mobile communications
Streaming Video	Video streaming services
Time Warner	Cable television
TxEIS (Regional Service Center Computer Cooperative)	Business and student information system
Walsh, Anderson, et. al.	Legal Services

NOTE: A complete list of contracts was not provided by the district. This list was compiled by the School Review Team and may represent only a partial list.

SOURCE: Luling ISD Business Office staff, January 2013.

documents include letters of engagement for legal and audit services, bank depository agreements, and contracts for the district's administrative software. Other campus and district administrators are responsible for arrangements for services to support the programs and functions they oversee. These administrators reported that they had not received formal training in managing contracted services.

Once administrators enter into agreements for contracted services, the district does not require them to file or document contracts with the Business Office. Also, the district does not communicate the expectation that they formally monitor, document, or evaluate vendor performance. Administrators reported few problems with vendor performance, but this may be due to a lack of monitoring. When asked what the district expects them to do if there are problems with vendor performance, most administrators referred the question to the Business Office and to the CFO in particular. Administrators could not describe what process the district uses to address these problems. Administrators report monitoring vendor performance either during or at the close of contract terms. Examples of contracts not formally monitored include contracts for E-Rate services and the CSCAPE curriculum.

Exhibit 5–7 shows survey responses regarding contract management. The majority of campus staff had no opinion, and less than half, 44 percent and 39 percent of district and campus staff respectively, agreed that the district's contract management process is efficient and effective.

The review team noted that not all contracts are filed in a central location, such as the Business Office. Also, administrators, including the CFO, do not have standard methods to create and keep contracted services files complete and current. Administrators sometimes had difficulty remembering all of the contracts they were responsible for managing and sometimes could not produce current copies of contracts or supplementary documentation for them. The

review team noted that a contract for E-Rate services was unavailable, yet the district had been paying for these services for several years without documenting their scope and benefit. The district also does not routinely ask its legal counsel to review proposed contractual arrangements. Therefore, the district would not know if all contract provisions are legally allowable or in the district's best interests.

Luling ISD administrators, notably the assistant superintendent for Curriculum and Instruction; the Maintenance, Technology, and Special Education directors; and the principals have the ability to enter into contracts. Because there are no written procedures or training, these individuals could enter the district into contracts that may not be in the district's best interests, meet the district's needs, and/or be cost-effective and efficient. Without training and written procedures, staff risk making inappropriate, ineffective, or even illegal decisions. With the exception of the assistant superintendent for Curriculum and Instruction, administrators did not report involving potential users in the decision-making process for securing contracted services. Staff also did not report negotiating for specific provisions to ensure that services meet unique district needs. Because it does not have a master list of contracts, the district cannot have confidence that administrators are monitoring and evaluating all of the contracts in the district. This can result in the district renewing contracts without proper support.

When district staff do not monitor vendor performance, the district cannot ensure the Board of Trustees, taxpayers, and other stakeholders that it is wisely and efficiently expending district resources. Without written documentation, the district may have more difficulty enforcing specific terms and provisions. Due to lack of documentation, the district may continue to receive and pay for services after contracts have expired, may extend contracts without knowing if vendors have delivered adequate services in a timely manner, or may

**EXHIBIT 5–7
LULING ISD DISTRICT AND CAMPUS STAFF SURVEY RESULTS
JANUARY 2013**

SURVEY QUESTION	RESPONDENT GROUP	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	RATING AVERAGE
The district's contract management process is efficient and effective.	District Staff	0%	44%	44%	4%	7%	3.26
	Campus Staff	2%	37%	54%	5%	1%	3.34

NOTE: Totals may not add to 100 percent due to rounding.
SOURCE: Review Team Survey, January 2013.

be unable to compare vendor performance with that of other possible providers.

The FASRG Purchasing Module 3 clearly states the importance of vendor evaluation procedures:

A system for the evaluation of vendors and their performance is important to support an effective purchasing function. Factors to consider for inclusion in the evaluation include the following:

- timeliness of deliveries,
- service availability,
- completeness and accuracy of order, and
- quality of products or services received.

The FASRG further suggests that when there is a problem, districts should ensure they do the following:

- document the problem in writing,
- contact the vendor to communicate the problem and how the district wishes the vendor to resolve it, and
- keep written records of all contacts.

If the vendor does not satisfactorily address the problem, the FASRG advises districts to “contact the vendor in writing, and inform the vendor that the district will consider failure

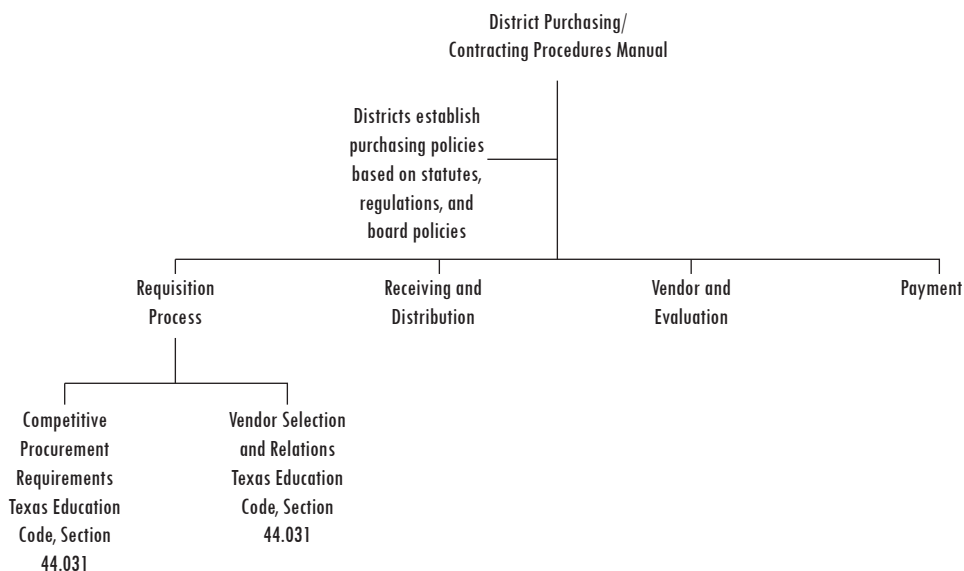
to solve the problem as a breach of contract.” It also advises districts to “involve the district’s legal counsel if needed.” The FASRG counsels school officials to keep an open and professional, yet independent and objective, relationship with vendors.

Exhibit 5–8 shows a suggested process for school district purchasing and contracting cited in the Texas Legislative Budget Board’s 2009 *Texas State Government Effectiveness and Efficiency Report*.

Luling ISD should develop written administrative procedures for management of contracted services. The Luling ISD CFO should create and maintain a master list of all contracts currently in force in the district. The CFO should also develop administrative procedures for managing contracted services. The master list should indicate the process used to initiate each contract such as competitive bidding or requests for proposals; the title of the district staff member who is responsible for managing each contract; and the length of each contract. Administrators should create a cover sheet for each contract file that provides an overview of important information about the contract. The cover sheet should include items such as the following:

- title and name of the district manager responsible for the contract;
- district need addressed by the contracted services;

**EXHIBIT 5–8
SUGGESTED SCHOOL DISTRICT PURCHASING AND CONTRACTING PROCESS
2009**



SOURCE: Texas State Government Effectiveness and Efficiency Report, Legislative Budget Board, January 2009.

- notes on the process used to select the vendor;
- funding source;
- length of contract term;
- contact information for both the district manager and the vendor;
- summary of major terms and conditions, or a reference to them, in the contract itself;
- summary of changes negotiated during the term of the contract, if any;
- dates when the district manager will conduct formative and summative checks on vendor performance; and
- notes regarding formative and summative checks.

Often, contracted services constitute a strategy in district and campus improvement plans. These plans will include much of this information. Administrators should be responsible for ensuring congruence between the contract cover sheets and strategies in the planning documents, where appropriate. The CFO should review the cover sheets and use them to set up a contract file for every contract. Managers should submit original copies of contracts and the cover sheets to the CFO, retaining copies for themselves. The Business Office should also run a report of contracted services from the TxEIS administrative software to ensure that all contracts are listed and filed. If the district later develops an intranet, it should keep contract files, including the cover sheets, on the intranet and provide access to them to their administrators. This access will eliminate duplication of files.

The administrative procedures for managing contracted services should address selection methods as well as monitoring during the terms of service and evaluation at the end of the terms. The district should develop forms for employees to use when managing contracted services and integrate these forms into the procedures. The CFO should train administrators in the procedures and post them on the district's website for ease of access and distribution of future revisions. When the district revises the procedures in the future, it should alert administrators via e-mail and conduct additional training, if needed. These procedures could be included in a future business operations manual.

The district can implement this recommendation with existing resources.

INSTRUCTIONAL MATERIALS MANAGEMENT POLICIES AND PROCEDURES (REC. 29)

Luling ISD does not have an effective process for inventorying textbooks and instructional materials, which has the potential to result in significant losses. Luling ISD relies on assistant principals at each campus to manage textbooks and other instructional materials. Luling ISD job descriptions for assistant principals are generic, and all include the duty to "Requisition supplies, textbooks, and equipment; check inventory; maintain records; and verify receipts for materials." Some district staff stated that assistant principals at each campus are responsible for textbook inventory, and the assistant principals confirmed this. However, one principal did not know who was responsible for this activity. The assistant superintendent of Curriculum and Instruction acknowledged overall responsibility for instructional materials in the district and reported that he serves as the district's contact with TEA for instructional materials. However, a written job description was not available to confirm this.

Two assistant principals reported that they conduct a textbook inventory at the end of each school year, but a copy of a recent inventory was not available. District staff communicated a low level of concern regarding textbooks because the district is implementing the CSCOPE curriculum "at the lesson level." This curriculum uses a wide variety of instructional materials, including information from the Internet. Campus administrators indicated that teachers have classroom sets of textbooks in their rooms and that the campuses will check out a textbook to any student or parent who requests one. Textbooks are not bar coded and most have been numbered by hand. The review team noted that some textbooks were not numbered. Campus administrators do not know how many textbooks they have checked out and could not describe the process used to ensure that they are returned. No campus had a list of textbooks checked out to students at the time of the review or the previous school year. The district has not provided written guidance regarding textbook inventories, and no one reviews the campus inventories.

In surveys conducted by the review team, both district and campus staff and parents generally expressed some dissatisfaction with the district's handling of textbooks. **Exhibit 5-9** shows response data on a textbook-related survey question.

Until fiscal year 2012, the state of Texas used the Educational Materials (EMAT) system for districts to order state-adopted

EXHIBIT 5–9
LULING ISD DISTRICT STAFF, CAMPUS STAFF, AND PARENT SURVEY RESULTS
JANUARY 2013

SURVEY QUESTION	RESPONDENT GROUP	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	RATING AVERAGE
Students are issued textbooks in good shape and in a timely manner.	District Staff	0%	15%	54%	19%	12%	2.73
	Campus Staff	2%	23%	38%	27%	10%	2.80
	Parents	0%	21%	31%	25%	23%	2.50

NOTE: Totals may not add to 100 percent due to rounding.
SOURCE: Review Team Survey, January 2013.

materials. Under this system, state-adopted materials remained the property of the state. Furthermore, Texas provided additional instructional materials and support to school districts through the Technology Allotment, which was about \$30 per student per year.

However, during the 2011 special legislative session, Texas made changes to its processes for funding instructional materials. A new funding stream for instructional materials was established including some technology expenditures, called the Instructional Materials Allotment (IMA). The IMA was estimated to provide about \$75 per student, with more, perhaps as much as \$80 or more, for fast-growth districts. IMA allotment calculations are based on PEIMS student enrollment data, bilingual student enrollment, and consecutive high growth enrollment. Seventy percent of the allocation for the 2012–13 biennium was available in school year 2011–12, and the remaining 30 percent became available in school year 2012–13.

With the exception of Braille materials and large-type and recorded books, which continue to be the property of the state, textbooks and other instructional materials secured using the IMA are now the property of the district. Districts are accountable for selling, donating, recycling, or otherwise disposing of instructional materials no longer needed. Districts are not required to replace out-of-adoption instructional materials with new ones adopted by the state. The EMAT system is now known as EMAT/EVI (Educational Materials/Educational Materials for the Visually Impaired). Districts continue to use EMAT/EVI to order textbooks, but the price of the books is charged to districts' IMAs. Districts may also request through EMAT/EVI that the state send them IMA funds for other materials that are not on the state-adopted lists. Districts must complete specific data fields when requesting fund disbursement to allow TEA to determine that the expenses are allowable under IMA. TEA then sends funds electronically to the district's account. TEA has provided guidance on issues regarding the IMA. In

addition, TASB has been developing policy guidance for school districts to align with the guidance from TEA.

The assistant superintendent of Curriculum and Instruction is responsible for the process of acquiring instructional materials for Luling ISD as well as entering items into the EMAT/EVI system. As each Luling ISD school determines its instructional materials needs, the school provides an order request to the district's Instructional Materials Allotment Committee using an "Instructional Materials Request Form." Board policy EFAA (LOCAL) created and mandated this committee in October 2011. This policy also specifies that the majority of the committee members be teachers. The Luling ISD Instructional Materials Allotment Committee determines if the request is an allowable use of IMA funds. If it is allowable, the committee approves the request, and the assistant superintendent of Curriculum and Instruction enters it into the EMAT/EVI system. If an item is not an allowable use of IMA funds, the district may purchase it with other local, state, or federal funds. Once approved, the CFO approves the requisition, and the system creates a purchase order. Each campus receives its own materials, verifies the shipments with the purchase orders, and notifies the Business Office when invoices can be paid. There is no further centralized tracking and inventorying of the materials.

At the time of the review, the district's Instructional Materials Allotment Committee did not include teachers, even though this is required by local policy. The assistant superintendent of Curriculum and Instruction reported that the district will include teachers during the spring of 2013. **Exhibit 5–10** shows district and campus staff perceptions regarding their input into the selection of instructional materials. Less than half of teacher respondents agreed or strongly agreed that they had the opportunity to participate in decision-making regarding instructional programs and materials.

**EXHIBIT 5–10
LULING ISD DISTRICT AND CAMPUS STAFF SURVEY RESULTS
JANUARY 2013**

SURVEY QUESTION		STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	RATING AVERAGE
Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	District	7%	38%	21%	24%	10%	3.07
	Campus	9%	37%	18%	28%	9%	3.10

NOTE: Totals may not add to 100 percent due to rounding.
SOURCE: Review Team Survey, January 2013.

The review team identified and surveyed peer districts for comparison purposes to Luling ISD. **Exhibit 5–11** shows a summary of the IMA allotment and the number of instructional material units ordered for fiscal year 2012 to January of fiscal year 2013 by Luling ISD and the peer districts.

Because Luling ISD has not taken inventory of its textbooks and is not using a standard procedure to check books out to students and parents, it does not have an accurate inventory. The district cannot hold teachers accountable for class sets in their classrooms, or hold students and parents accountable for books checked out. More students and parents might benefit from checking textbooks out for home use, but the lack of a check-out and inventory system may inhibit them from doing so. In addition, because Luling ISD cannot provide inventory records of either textbooks it acquired under the former TEA textbook allotment or items purchased with IMA funds under the current state process, it is in danger of experiencing significant losses. Materials that are not checked out to specific individuals and are not inventoried annually tend to become lost, mainly because there is little incentive to keep track of them. High staff turnover rates such as the district has experienced in recent years could

exacerbate this problem. As districts lose materials, including both those intended for student use and those intended for teacher use, they may need to replace them using either instructional materials allotment or local funds. The replacement costs reduce the funds available for updated and supplementary materials that might assist the district in delivering the curriculum.

School districts in Texas can assure compliance with state law and good stewardship of the funds used to purchase instructional materials by creating and following administrative procedures. The Instructional Materials Coordinators Association of Texas (IMCAT) is a professional organization of school district personnel who manage textbooks and other instructional materials that provides assistance to districts. (In recognition of the change in state law that created the IMA, this organization changed its name in 2011 from the Textbook Coordinators' Association of Texas.) The IMCAT offers regular training for instructional materials coordinators in public school districts or open enrollment charter schools. According to its website, IMCAT's mission is:

to train and assist instructional materials professionals so they can help the students of Texas....Throughout

**EXHIBIT 5–11
LULING ISD AND PEER DISTRICT INSTRUCTIONAL MATERIALS ALLOTMENT FUNDS AND UNITS ORDERED
FISCAL YEAR 2012 TO JANUARY OF FISCAL YEAR 2013**

DISTRICT		FISCAL YEAR 2012	FISCAL YEAR 2013
Luling ISD	IMA Allotment for the biennium	\$219,760	
	Units Ordered	213	4,410
Littlefield ISD	IMA Allotment for the biennium	\$222,940	
	Units Ordered	1,917	1,445
Marion ISD	IMA Allotment for the biennium	\$203,528	
	Units Ordered	550	243
McGregor ISD	IMA Allotment for the biennium	\$198,884	
	Units Ordered	2,471	531

SOURCE: Texas Education Agency, January 2013.

the year, IMCAT acts as a clearing house for coordinators who have questions or problems with their ordering, warehousing, delivery or inventory. Veteran coordinators offer their expertise and knowledge to help fellow IMCAT members work smoothly with one goal in mind—getting the materials to the kids.

The IMCAT provides information and training materials, including conference presentations and recorded webcasts, on its website.

Some of the school districts in Texas that have created administrative procedures regarding textbook selection and management, including inventory, post their procedures on their websites. For example, United ISD and Lamar CISD have both posted manuals on their websites. In addition, several school districts in Texas have elected to use their administrative software to help them track and account for their instructional materials. TxEIS has developed a collaboration with a company that markets textbook accounting software, called TIPWEB IM, to provide the software and linkages from it to the TxEIS asset management capability. Region 13 provides this service to its TxEIS clients for an additional annual cost of \$0.25 per student. Round Rock ISD uses this software and has posted a document called *Best Practice for Textbook Accounting* on its website that illustrates how the district uses barcode technology to account for its instructional materials.

Luling ISD should define comprehensive policies and develop procedures for inventorying textbooks and instructional materials that include a process for implementing an annual inventory. The procedures should align with board policy regarding the IMA and provide for teacher participation on the Instructional Materials Allotment Committee. The procedures should also detail the process the district will use to dispose of instructional materials it no longer needs.

The district should conduct a needs assessment to determine how to best implement these policies and procedures. The district should conduct a cost-benefit analysis of implementing a bar coding system to inventory its instructional materials, including textbooks. If Luling ISD chooses to implement a bar coding system, the district should survey and consider software options for inventorying and tracking instructional materials. The TxEIS administrative software that Luling ISD uses has management capability for instructional materials. Region 13, which supports TxEIS, also supports a third party inventory tracking solution which

integrates with TxEIS called TIPWEB IM. The FATS systems used by the district to inventory technology can also be used to inventory instructional materials. If implemented, the assistant superintendent of Curriculum and Instruction should work with the Technology director to develop and implement a bar coding system for all district instructional materials.

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 5: PURCHASING							
25. Produce and maintain an approved vendor list.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Develop written procedures for purchasing that include guidelines and forms for district staff to document purchasing activities.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27. Establish a system for processing purchase orders that clearly defines the responsibilities of staff involved and includes a timeline for submitting orders.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28. Develop written administrative procedures for management of contracted services.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29. Define comprehensive policies and develop procedures for inventorying textbooks and instructional materials that include a process for implementing an annual inventory.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 5	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHAPTER 6

HUMAN RESOURCES MANAGEMENT

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 6. HUMAN RESOURCES MANAGEMENT

The human resources (HR) function in public school districts includes the recruitment and retention of a highly qualified workforce of educators and other staff to assist in realizing the mission and goals of the district. Supporting this main function is a myriad of other HR responsibilities which include:

- providing health benefits packages that seek to attract and retain the workforce;
- creating and updating compensation and classification systems that are in line with comparable markets;
- developing focused training programs that are aligned with district goals and keeping the workforce abreast of best practices;
- implementing performance management systems that celebrate employee accomplishments and help identify areas of personal improvement;
- promoting employee relations and grievance procedures that allow open and transparent discourse; and
- maintaining accurate and complete employee records that assure compliance with state and federal requirements.

A school district's payroll accounts for about 73 percent to 85 percent of a district's annual operating budget. For Luling Independent School District (Luling ISD), personnel costs for fiscal year 2011 account for 81.4 percent of the district's budget. With an enrollment of 1,415 students, the district employs 185.5 staff according to the Academic Excellence Indicator System (AEIS) Report for school year 2011–2012.

In small school districts, it is common practice that a handful of staff share HR responsibilities, and this is true for Luling ISD. The superintendent and assistant superintendent of Curriculum and Instruction share the HR responsibilities of recruiting, hiring, training, and retaining educators with the assistance of two administrative assistants who manage the hiring process, employee paperwork, and employment records. The chief financial officer (CFO) and business office assistant assist in the areas of benefits, leave accrual, compensation, and background checks. Campus administrators check that applicants meet minimum

qualifications, schedule and conduct interviews, and recommend hires to the superintendent. Campus administrators also complete highly qualified paperwork for teachers and paraprofessionals the district hires.

FINDINGS

- ◆ Luling ISD human resources management is not centrally managed, planned, or coordinated and is not guided by comprehensive policies and procedures.
- ◆ Luling ISD does not have a records management process that ensures proper handling of government records, including the proper maintenance of district employee personnel files.
- ◆ Luling ISD does not establish staffing controls to guide campus personnel allocations to district schools.
- ◆ Luling ISD personnel who manage the administration of compensatory time may not follow existing procedures to ensure accurate overtime compensation of nonexempt employees in compliance with the Fair Labor Standards Act.

RECOMMENDATIONS

- ◆ **Recommendation 30: Assign responsibility for overseeing the human resources function to an upper-level administrator who will attend training and develop policies and procedures that assist in coordinating all Human Resources areas.**
- ◆ **Recommendation 31: Establish an administrative specialist position to organize and coordinate the district's records management function and assist with human resources duties.**
- ◆ **Recommendation 32: Develop staffing formulas based on best practice and examples from similar districts to guide the allocation of staff to district schools.**
- ◆ **Recommendation 33: Provide district personnel who administer and approve compensatory time transactions with training in the requirements of the Fair Labor Standards Act.**

DETAILED FINDINGS

HUMAN RESOURCE MANAGEMENT (REC. 30)

Luling ISD human resources (HR) management is not centrally managed, planned, or coordinated and is not guided by comprehensive policies and procedures. The district does not have an upper-level staff member who is assigned responsibility for planning, coordinating, and overseeing HR functions. Diligent oversight of this critical area of operations helps protect districts from litigious and fiscal liability. Small school districts like Luling ISD often distribute HR responsibilities across a variety of staff members, but they also usually identify a position to oversee the coordination of the various processes. Without a staff member providing this oversight, the district can be inconsistent in its HR procedures and runs the risk of being non-compliant with state regulations and federal statutes.

Additionally, there are no written procedures to guide staff in implementing HR services in alignment with best practices. Without written guidance, it is difficult for staff to know and understand the district's expectations for completing their responsibilities. In addition, Luling ISD staff who handle HR functions have not had access to training opportunities, such as focused webinars, to develop their understanding of the intricacies of employment and labor law. Overall, the district's HR processes are currently paper driven. The district uses the student information system TxEIS. However, the district does not use the HR management module currently available in TxEIS. In addition, the district is in the process of implementing a web-based applicant management system.

Exhibit 6–1 shows shared HR responsibilities of Luling ISD staff by assigned position.

The superintendent and the assistant superintendent of Curriculum and Instruction share some of the HR duties such as recruiting, hiring, and ensuring the district's compensation program is competitive with neighboring districts. Two district administrative assistants, assigned respectively to the superintendent and assistant superintendent of Curriculum and Instruction, also share HR duties.

The superintendent's administrative assistant completes most of the hiring processes starting with the superintendent-approved electronic job posting. This administrative assistant then guides the hiring process paperwork up to the point of the superintendent and/or Board of Trustees' final approval of the hire recommendation. Once the district hires the applicant, the administrative assistant produces the contract

for signature and creates the personnel file. The district's personnel files contain contracts, service records, official transcripts, certification and licensure documents, I-9 information, criminal history background check receipts, applications, service records, and sign-off forms for the receipt of the employee handbook and policies. Required state and federal documents that belong in the personnel file such as assignment information, teacher performance records, the statement concerning employment in a job not covered by social security, for example, are either not collected or not kept in the personnel file.

The second administrative assistant, who reports to the assistant superintendent of Curriculum and Instruction, collects district job descriptions and keeps them in a notebook in the office area. Campus principals, most of whom have had little or no HR training, assist in the hiring process by screening applicants for minimum qualifications, forming interview committees, conducting interviews, and recommending hires to the superintendent. They are also expected to check employee references, but, without procedures in place, the district cannot confirm supervisors actually check references. With a minimum of training, campus principals determine new employees' highly qualified status and complete the backup paperwork, which they keep at the campus.

The chief financial officer (CFO) also participates in HR duties, checking criminal history backgrounds, setting salary, implementing the compensation program, and maintaining the district's employee health benefits program. The business office assistant's HR duties include leave administration (including family medical and disability leave), creating and maintaining service records, and health benefits administration duties. The business office assistant also enters all employee information and runs payroll.

EXHIBIT 6-1
LULING ISD HUMAN RESOURCES TASKS BY POSITION

POSITION	PRIMARY RESPONSIBILITIES – HR AND BUSINESS OFFICE
Superintendent	<ul style="list-style-type: none"> Recruits staff Approves positions for hire and district postings Sets procedures for hiring Has authority to hire from clerical, paraprofessional, and auxiliary ranks Recommends teacher and above hires to board Approves salaries Meets with principals and supervisors to approve district staffing decisions
Secretary to Superintendant	<ul style="list-style-type: none"> Routes requests for positions and postings to superintendent Oversees posting and hiring process Receives hire paperwork and begins hiring process Creates, maintains, and oversees personnel files Sends, tracks, and files employment contracts Prepares I-9 information Ensures teacher certificates are up to date and filed Assists with job descriptions Collects and files job descriptions
Assistant Superintendent of Curriculum and Instruction	<ul style="list-style-type: none"> Assists with recruiting Provides guidance to principals who determine if instructional staff is highly qualified Facilitates annual new employee orientation Creates job descriptions Oversees the district's performance evaluation process
Chief Financial Officer	<ul style="list-style-type: none"> Checks criminal history on hires and arrest information on employees Oversees the health benefits program Creates and manages the budget Works with leadership in staffing the schools Sets salary and manages the district compensation program Administers employee pay using the TxEIS system
Business Office Assistant	<ul style="list-style-type: none"> Manages overtime and compensatory time allocations Administers health benefits Manually administers district's leave program Collects and creates service records for new hires/current employees Administers family medical and military leave Secures employee medical certification records
Campus Principal/Department Director	<ul style="list-style-type: none"> Screens applicants for minimum qualifications Creates interview committees and interviews candidates Checks references and writes letters to superintendent to recommend hiring of candidates Determines highly qualified status of instructional staff Evaluates employees and files evaluation paperwork

SOURCE: Interviews with Luling ISD staff, January 2013.

None of the district staff with HR duties have specific training in HR areas such as:

- Equal Employment Opportunity guidelines for posting positions, identification of applicants for interviews, interview processes, and hiring;
- Department of Labor laws such as the Fair Labor Standards Act of 1934, as amended;

- Health Insurance Portability and Accountability Act of 1996, which protects private health information;
- No Child Left Behind highly qualified requirements for paraprofessionals and teachers; and
- I-9 requirements that confirm eligibility to work in the U.S.

The district distributes HR functions across a variety of untrained staff and does not assign one trained administrator with the responsibility of organizing and coordinating these complicated and compliance-driven HR processes. Consequently, the district is at risk of not meeting state and federal guidelines and laws that in turn may expose the district to financial liability. For example, the U.S. Department of Education's Office for Civil Rights (OCR) requires schools that receive federal funding to provide notices of non-discrimination on documents such as posting notices and applications. Hiring documents for Luling ISD merely state "An Equal Opportunity Employer" and do not display the full statement as required in 34 C.F.R. Sections 100.6(d), 106.9, 104.8, 110.25 and 108.9, respectively. These regulations require that recipients who receive financial assistance from the U.S. Department of Education must issue notices of non-discrimination to students, parents, and others. The notices must appear on district documents that specifically notify all stakeholders that the district "does not discriminate on the basis of race, color, national origin, sex, disability and age, and, if applicable, that they provide access to the Boy Scouts of America and other designated youth groups."

Exhibit 6–2 shows a gap analysis of the district's HR activities as compared to industry standards.

Exhibit 6–3 shows particular areas of concern requiring written procedures and processes.

The district should assign responsibility for overseeing the HR function to an upper-level administrator who will attend training and develop policies and procedures that assist in coordinating all HR areas. The HR function aligns with some of the existing duties of the assistant superintendent of Curriculum and Instruction. The district could look at reassigning some of this administrator's current duties, such as external funding responsibilities, to another upper-level administrator. By reassigning this duty, the assistant superintendent of Curriculum and Instruction could centralize the duties of coordination and oversight of the district's HR function.

Organizations such as the Texas Association of School Boards (TASB), Texas Association of School Business Officials (TASBO), Texas Association of School Personnel Administrators (TASPA), provide extensive HR training within an hour's drive of the district. The position assigned to manage and oversee the HR function should secure district memberships in these organizations as part of a strategy to

learn about best practices and then train district staff in HR processes. Once trained in HR best practices, the assigned administrator should start developing detailed written procedures of consistent and legally compliant HR activities that the district will implement.

The district should also consider reassigning the duties of setting salaries, salary administration, and managing the district's compensation program from the CFO to the administrator overseeing the HR function. Controlling the district's finances and determining salaries are two responsibilities that should reside in separate areas of the organization to avoid a conflict of interest.

Luling ISD should use the HR module of TxEIS to automate and manage their HR processes at no extra cost. District personnel should also investigate if the new web-based management system has the capability of integrating with the TxEIS system so that information migrates from the applicant system to the TxEIS, thus saving time in inputting new hire information.

The fiscal impact assumes that the district will purchase a membership to the Texas Association of Personnel Administrators (TASPA) for a cost of \$100 per person each year. Luling ISD holds memberships in TASB and TASBO so there is no additional expense to the district in joining these two organizations.

The fiscal impact further assumes that the position will attend one training per year. TASB offers a Human Resources Administrators Academy that provides training in basic HR responsibilities. The one-time cost of the academy is \$385 for each attendee. This is a two-day academy that would not require an overnight stay.

Other trainings to choose from are the TASB Legal Conference at a cost of \$175 per person and the HR conference that immediately follows the legal seminar at an additional cost of \$175 per person. TASB webinars are at no cost to the membership. The district should send one staff member to the conferences each year.

As duties are reassigned, the district may determine if more staff should attend training or if more than one training per year is needed.

The total fiscal impact assumes a \$450 (\$100 +\$175+\$175) annual HR training budget with one-time expenditure of \$385 in school year 2013–14. This is a total of \$2,635 over the next five years.

EXHIBIT 6–2
LULING ISD HUMAN RESOURCES ACTIVITIES

TASK	INDUSTRY STANDARD	LULING ISD PRACTICE
Recruitment	<ul style="list-style-type: none"> • Job postings on district and professional websites • Recruitment strategy/goals based on district needs 	<ul style="list-style-type: none"> • Service performed. • No specific recruitment strategies to increase staff diversity. In school year 2013–14, Luling ISD staff reported that they will be attending job fairs.
Hiring Process	<ul style="list-style-type: none"> • Campus and department supervisors review applications and screen applicants for qualifications • Principals and supervisors choose interview panels and plan interviews • All references checked • Campus principals determine if hires meet highly qualified requirements 	<ul style="list-style-type: none"> • No written guidelines/training for interview processes to ensure non-discrimination practices • No guidelines/training for interview process; no procedures to guide development of appropriate interview questions • No supporting documentation that references are checked • Minimum training for principals to accurately determine if teachers are highly qualified
Job Application Management	<ul style="list-style-type: none"> • District has applications for job types that meet industry standard 	<ul style="list-style-type: none"> • No required Office of Civil Rights notice of non-discrimination as required of schools receiving federal funds
New Hire Process	<ul style="list-style-type: none"> • District collects all required new hire paperwork • District creates personnel file for new hires containing recommended paperwork • Employee information is entered into TxEIS human resources information system 	<ul style="list-style-type: none"> • Not all required federal/state paperwork collected; follow district policy in gathering all required paperwork before hire of individuals such as official transcripts • Important paperwork is not found in the personnel file, for example, current copies of teacher certifications • All processes are manual and paper intensive except for payroll
Employee Benefits	<ul style="list-style-type: none"> • District informs employees of coverage, deduction information, and rate changes for the open enrollment period • Health Insurance Portability and Accountability Act compliance 	<ul style="list-style-type: none"> • Service performed each May of the year at campuses by business office • Employees discuss private health information in an office shared by other employees; no privacy
Job Description Management	<ul style="list-style-type: none"> • District uses job descriptions for each position 	<ul style="list-style-type: none"> • District has job descriptions for each position but keeps them in a notebook rather than in the personnel file • Many job descriptions are model job descriptions and are not specific to the actual position's responsibilities and duties • Not all signed job descriptions for each position on file • Job descriptions are not reviewed and updated on a regular basis
New Employee Orientation	<ul style="list-style-type: none"> • New employees receive district information and employment policies 	<ul style="list-style-type: none"> • No policy or sexual harassment training included • No orientation training for new hires hired after start of school
Certification Confirmation	<ul style="list-style-type: none"> • New hire certification/licensure collected and in personnel file • District assures all certified employees have current certificates 	<ul style="list-style-type: none"> • Service performed annually • No process for tracking certificates that expire; expired certificates in personnel files but not updated certificates
Staff Development	<ul style="list-style-type: none"> • District has a staff development plan • District provides training in areas requiring federal/state compliance 	<ul style="list-style-type: none"> • No indication that the district develops plans for training based on needs assessment surveys or district goals for staff. After the onsite review, the district reported that they have a detailed plan for staff development in the district plan.
Employee Evaluations	<ul style="list-style-type: none"> • Evaluations are performed on an annual basis • Evaluations are tracked and kept in personnel file 	<ul style="list-style-type: none"> • Evaluations recently implemented • No written process or calendar to guide evaluation process • Evaluations are kept at the campus

SOURCE: Texas Association of School Boards Personnel; Interviews with Luling ISD staff, January 2013.

**EXHIBIT 6-3
LULING ISD SUMMARY OF LULING ISD HR ACTIVITIES LACKING WRITTEN PROCEDURES
JANUARY 2013**

AREA	PROBLEM	ACTION
Personnel File Management	Files do not contain all required documents	Define required contents, process to protect files from damage Define process to ensure confidentiality is maintained
Personnel Evaluation System	Lacks schedule, updates, and a collection process	Outline procedure and schedule for annual updates and districtwide collection of evaluations for permanent records in personnel file
Job Descriptions	Not pertinent to current job employee holds and not aligned with evaluation	Develop procedure to update and align job descriptions at evaluation time Develop process to collect signed job descriptions for placement in personnel file
Staff Development Planning	Staff development not aligned with needs of the district	Expand detailed staff development plan by developing procedures to use data analysis and needs assessment surveys to plan staff development Annually evaluate effectiveness of staff development
Hiring Procedure	No screening or interview process procedures No communication process so pertinent staff are advised of hires	Create guidelines and training for screening, interviewing, posting, collecting appropriate paperwork, setting salary, providing benefits, training new hires. After the onsite review, the district reported they have a screening process that will be used in school year 2013-14. Create flowchart of hiring process
Staffing Allocation Plan	No staffing formula to guide district staffing	Develop formulas to guide and correct staffing ratios
Records Management System	No centralized process for management of records	Develop procedures for collecting records, identifying retention/destruction dates, and protecting and securing permanent records

SOURCE: Interviews with Luling ISD staff, January 2013.

PROCEDURES AND COORDINATION OF DISTRICT RECORDS (REC. 31)

Luling ISD does not have a records management procedure that guides staff in the proper handling of government records, including the proper maintenance of the district employee personnel files. Luling ISD has not declared in writing, either in policy or administrative regulation, who in the district serves in the roles of Records Management Officer, Records Administrator, Officer for Public Information, and Public Information Coordinator. The superintendent is the official custodian of records, and, in most districts, this responsibility is delegated to a person who is overseeing the HR area. Luling ISD has adopted the retention schedules and guidelines recommended by the Texas State Library and Archives Commission as their local document management program.

Luling ISD provides little written guidance to staff members regarding their responsibilities for records retention. The

2012-2013 *Employee Handbook* provides some guidance on personnel and student records. Luling ISD uses generic job descriptions developed by TASB which identify records responsibilities for some positions, such as principals, with the following statement or one similar to it: "Compile, maintain, and file all physical and computerized reports, records and other documents required including accurate and timely reports of maximum attendance to requisition textbooks." Neither the *Employee Handbook* nor job descriptions identify specifically who are custodians of district records.

According to the Business Office staff, each district department and campus is in charge of the records they produce. In the Business Office, records are boxed and labeled, the destruction date is put on the box, and the boxes are stored in closets at the Conference Learning Center, a building adjacent to the Administration Building. Although records in file cabinets in the Business Office are fire proof,

the records stored at the Conference Learning Center’s closets are not. Also, access to the records storage closet at the Learning Center is not controlled. In touring the records storage closets, it was apparent that many boxes were not labeled and most of the boxes did not identify the destruction dates.

Campuses follow this same procedure. Many campus records are permanent, such as the student’s academic record, and the safeguarding of these records from fire, water, corruption, and other damage is important. Principals also keep other permanent records, such as the teachers’ Professional Development Appraisal System documents, at the school. One principal told the review team that this practice is a concern because the teacher evaluations are important documents and how to safeguard them against inadvertent destruction is a training opportunity.

At Luling ISD, the destruction of records occurs when the district needs space. The department wanting the records destroyed calls the Maintenance Department. According to the chief financial officer, an employee of the Maintenance Department picks up the boxes, takes them to the elementary school, which has a large shredder, and shreds the documents. The shredding machine, according to staff members, shreds the documents into strips. The CFO could not confirm that documents are actually shredded because the shredding process is not witnessed.

The Texas State Library and Archives Commission clearly outlines procedures that must take place in order to assure

that permanent records are secured, that records that have met their retention date are completely destroyed, and that there is a procedure in place through which records are methodically organized for archiving or future destruction. **Exhibit 6–4** shows best practices in personnel record management procedures as described by TASB and in compliance with Texas State Library and Archives Commission Guidelines.

The district’s lack of procedures, coordination, and oversight of district records could result in the following:

- district records being exposed to the possibility of water, corruption, and fire damage;
- permanent district records being lost or destroyed; and
- records identified for shredding being dumped or shredded in a way that exposes employees and the district to breaches of confidentiality.

Failure to follow the Texas Library and Archives Commission’s guidelines for retention of government records is a Class A misdemeanor and may even qualify as a third degree felony under the Texas Penal Code, Section 37.10. Also, a person destroying local government records may be subject to criminal penalties and fines under the Public Information Act (Texas Government Code, Chapter 552).

The district should establish an administrative specialist position to organize and coordinate the district’s records management function and assist with HR duties. The

**EXHIBIT 6–4
BEST PRACTICES FOR ORGANIZING PERSONNEL RECORDS**

ACTIVITY	RECOMMENDED RECORDS MANAGEMENT PROCEDURES
Storage of records	Create procedures for the storage and management of personnel records and other district records. Protect stored records from fire, water, and other damage Control access to storage areas Control the content of stored records so that only records that meet the Texas Local Government Records Act are stored
Manage what is collected and stored	Treat permanent records differently from records that have a retention date Remove expired documents that are not on the local government retention schedule from active storage to inactive storage as part of the annual purging of records process Image/microfilm permanent records; destroy source document after recording destruction information in destruction log Store non-permanent, inactive records with destruction date clearly marked on the storage box at a fire-proof location Store records by date of destruction Schedule destruction of expired documents so documents are completely destroyed. Train district employees on records management procedures and provide guidance with purging and destruction of records.

SOURCE: Texas Association of School Boards, Organizing Personnel Records, January 2013.

administrator in charge of HR duties would train the administrative specialist. Once trained, this position would also assist in developing procedures to guide the district in the management of its records. This position would also assist the administrator in charge of HR with HR-related duties such as preparing for teacher recruitment projects, overseeing personnel records, overseeing the revision and issuance of job descriptions, managing the district’s open records requests, receiving and routing changes to employee information, and responding to verification of employment requests.

As **Exhibit 6–4** shows, TASB describes the records manager’s duties in a model job description and outlines processes this position should use in securing the district’s records and ensuring the district is in compliance with local record retention schedules. The district protects itself from charges of inappropriate conduct by having records easily accessible and available when faced with a litigious challenge. By following best practices in managing the district’s records, the district can save itself unnecessary fines and penalties.

The fiscal impact assumes adding a pay grade 7 - administrative specialist position to serve under the direction of an administrator in charge of HR would cost approximately \$25,689, if the employee had no previous records management experience. This amount is the minimum of the Clerical/Paraprofessional Pay Structure, Pay Grade 7. The benefits for this position are estimated at \$1,238. The total cost of adding a pay grade 7 - administrative specialist would be \$26,927 (\$25,689 + \$1,238) annually.

STAFFING CONTROLS (REC. 32)

Luling ISD does not establish staffing controls to guide campus personnel allocations to district schools. Interviews conducted by the review team indicated that staffing at Luling ISD was determined through negotiation. Department heads and school administrators discuss their staffing levels with the CFO, and if the CFO is convinced staffing levels are not adequate, they received more staff. This is a common practice when staffing allocations for all positions have not been established.

School districts must staff efficiently and effectively without compromising instructional best practice as they face the challenge of balancing district budgets with limited financial resources. **Exhibit 6–5** shows payroll expenses from fiscal years 2009 to 2011.

**EXHIBIT 6–5
LULING ISD PAYROLL EXPENSES IN COMPARISON TO
TOTAL EXPENDITURES
FISCAL YEARS 2009 TO 2011**

CATEGORY	2009	2010	2011
Payroll Costs	\$8,878,564	\$8,985,317	\$8,434,156
Total Expenditures	\$12,001,315	\$10,782,854	\$10,360,620
Percentage of Budget	74.0	83.3	81.4

SOURCE: Academic Excellence Indicator System Reports for 2010, 2011, 2012.

In reviewing the data presented in AEIS reports, a significant spike in payroll costs exists for fiscal year 2010. This spike may be attributed to increasing campus administration from 4.3 staff to 8.1 in 2010, an increase of 100 percent. However, the student population only slightly increased during the years. In fiscal year 2012, campus administration staffing was reduced to 5.3 positions.

A look at the district’s staffing for fiscal year 2012 compared to peer districts shows that the district is comparable to its peers but not state averages. Peer districts are districts similar to Luling ISD that are used for comparison purposes. For example, the district’s percentage of teachers to overall staff is 54.4 percent as was reported in October 2011. This percentage is comparable to peer districts but higher than the state’s average of 50.8 percent. The percentage of professional support staff is 4.6 percent, which is lower than two of the peer districts (Comfort and Marion) and significantly lower than the state average of 9.1 percent. Luling ISD campus administration staffing is less than the peer districts and in line with the state average of 2.9 percent. Compared to the peer school districts, Luling ISD hires more educational aides than Comfort or Marion at 13.5 percent. The state average is 9.1 percent. **Exhibit 6–6** compares Luling ISD staffing to peer districts and state averages.

The AdvancED Standards for Quality Schools provides school districts with expert guidance in best practices for schools in areas such as governance and leadership, teaching and learning, certification and education qualifications, professional development, and staff assignments and class size. This organization oversees the accreditation of schools and provides quality indicators for educational institutions. While having small class sizes may be appealing, this practice does not always provide students with excellent educational opportunities. Staffing decisions are complex because these decisions are driven by the students’ needs, the schools’

EXHIBIT 6–6
LULING ISD STAFFING BY CATEGORY COMPARED TO PEERS AND STATE
FISCAL YEAR 2012

CATEGORY	LULING ISD	COMFORT ISD	LITTLEFIELD ISD	MARION ISD	MCGREGOR ISD	STATE
Teachers	101	94.9	95.7	89.4	101.1	324,144.6
Teacher Percentage	54.4%	58.5%	50.1%	60.3%	49.6%	50.8%
Professional Support	8.6	10.0	7.0	7.6	7.8	57,782.9
Professional Support Percentage	4.6%	6.2%	3.7%	5.1%	3.8%	9.1%
Campus Administration	5.3	5.4	6.0	6.4	6.3	18,480.5
Campus Administration Percentage	2.9%	3.3%	3.1%	4.3%	3.1%	2.9%
Central Administration	2.0	2.0	3.3	2.0	3.0	6,546.3
Central Administration Percentage	1.1%	1.2%	1.7%	1.3%	1.5%	1.0%
Educational Aides	25.0	15.0	35.8	21.3	35.0	58,114.0
Educational Aides Percentage	13.5%	9.2%	18.7%	14.4%	17.2%	9.1%
Auxiliary Staff	43.7	35.0	43.2	21.5	51.7	172,779.4
Auxiliary Staff Percentage	23.5%	21.6%	22.6%	14.5%	25.4%	27.1%
Total Staff	185.5	162.4	191.0	148.2	203.8	637,847.6

SOURCE: 2011–12 Academic Excellence Indicator System (AEIS) reports for peer districts and state.

academic goals, budget considerations and staff qualifications. While the Texas Education Code (TEC), 25.112, provides school districts with staffing guidelines for grades K–4, school districts have virtually no guidelines, especially at the secondary level. TEC Section 25.112 requires school districts to review class size enrollment to assure that class sizes for grades K–4 do not exceed the class size limit of 22 students per one teacher. If the district exceeds this ratio in any K–4 classes, the district must submit a waiver requesting exception under TEC Section 25.112(d).

When school districts staff schools without using best practice staffing guidelines, they are at risk of staffing by negotiation rather than by establishing objective standards for decisions. Using best practice staffing models helps to ensure that all district schools are treated equitably and empowers principals in making staffing decisions.

TASB offers staffing review services to districts that examine specific staffing areas such as teachers, campus assistant principals, counselors, and aides.

Luling ISD should develop staffing formulas based on best practices and examples from similar districts to guide the allocation of staff to district schools. The large variance in campus administration staffing numbers indicates that Luling ISD would benefit from a comprehensive staffing review in order to develop staffing guidelines.

The fiscal impact assumes the district will purchase staffing review services. For a district with 1,415 students the costs for these services would be \$10,000 according to TASB's Director of Consulting Services. In addition, the cost of travel expenses for staffing review services includes two site visits estimated at \$500 for a total cost of \$10,500.

COMPENSATORY TIME ACCRUALS OF NON-EXEMPT PERSONNEL (REC. 33)

Luling ISD personnel who manage administration of compensatory time may not follow existing procedures to ensure accurate overtime compensation of nonexempt employees in compliance with the federal Fair Labor Standards Act of 1938 (FLSA). Luling ISD outlines its compensatory time policy in their board policy (LOCAL) and in a procedures manual, however, after a review of district documents, it appears that the district does not follow the stated policy and procedures. Further, interview data indicated that personnel charged with administering wage and hour determinations do not have any detailed written procedures to inform district supervisors and non-exempt employees about district administration of this policy.

Luling ISD's policy explains that nonexempt employees will be compensated on an hourly basis while others will be paid a salary but that all nonexempt employees will be compensated for the time they work. The policy also states that nonexempt employees earn additional pay (or compensatory time) if

they work more than 40 hours per week. The workweek commences at 12:00 AM Saturday until 11:59 PM on Friday.

The district does not allow employees to accrue more than 60 hours of compensatory time. When an employee accrues more than 60 hours of compensatory time, the local policy requires the employee to take time off or the district may elect to pay the employee overtime pay. The CFO said that there is little compensatory time accumulated in the district. Also, in interviews, staff said that hourly employees are usually not allowed to work overtime. A review of district compensatory time balances confirms this information.

The Wage and Hour Division of the U.S. Department of Labor oversees compliance of the FLSA throughout the U.S. and assesses substantial penalties when it finds violations. The FLSA, as amended, requires that when an employee works more than 40 hours in a work week, the time in excess of 40 hours accrues as time and one-half. Therefore, if an employee works 40 hours and 30 minutes in a workweek, the 30 minutes becomes 45 minutes that the district owes the employee as compensatory time off. As nonexempt employees earn compensatory time, the district allows this time to accumulate in a leave bank that is available to use within policy guidelines.

Interviews with district hourly employees provided an example of one circumstance in which the district is not properly calculating compensatory time for employees who work over 40 hours in their work week as required by FLSA. This circumstance is related to allowing nonexempt employees to trade time worked in excess of 40 hours in their work week during the summer in exchange for taking time

off in November during staff development time. The “traded” time appears to be “straight” time. Therefore, the time worked in the summer was not calculated as time and one-half. **Exhibit 6–7** shows work time accrued during June, July, and August of 2012 that employees were allowed to use for “exchange day” requests in November 2012.

In a district email from the CFO on July 9, 2012, Luling ISD communicated the option for nonexempt employees who work a 206 or 226 day calendar to use earned compensatory time or “vacation” time in exchange for the November days. However, the district also offered a third option to nonexempt employees who did not have compensatory or vacation time. This option allowed the employee to work two extra days during the summer, on the weekends, or in the school year before November 19 in exchange for time off in November. Employees had to work a minimum of six hours to get credit for one day.

In using option three, the affected staff were not sure if they got the time and one-half benefit when taking the November time off. In a conversation with two nonexempt employees, they said that the hours represented on a hand-written time card were hours worked beyond their 40-hour work week. Both employees did not realize that the district should have represented the time as time and one-half. The two exempt employees earned this time after working a 40-hour work week during distinct work weeks. If the time was correctly represented as compensatory time, the two nonexempt employees would actually have earned 18 hours for the first staff member and 9 hours and 5 minutes for the second staff member.

**EXHIBIT 6–7
LULING ISD EXCHANGE DAY REQUESTS OF NONEXEMPT EMPLOYEES MADE NOVEMBER 19 AND 20, 2012 FROM TIME ACCRUED IN JUNE, JULY, AND AUGUST 2012**

TITLE OF POSITION	ACTIVITY PERFORMED	DATE	TIME	TOTAL
Nonexempt Staff Member	Special Board Meeting	6/4/2012	5:45–7:35 PM	1.83
	Special Board Meeting	6/18/2012	5:45–7:25 PM	1.67
	Special Board Meeting	7/9/2012	4:45–6:35 PM	1.83
	Special Board Meeting	7/30/2012	5:45–8:40 PM	2.92
	Special Board Meeting	8/13/2012	5:45–9:30 PM	3.75
Total Time Accrued				12 hours
Nonexempt Staff Member	TAKS Packing	7/13/2012	10:15–11:30 PM	1.15
	Shopping for MCV	7/26/2012	5:22–8:43 PM	3.21
	Shopping for MCV	7/31/2012	5:27–6:37 PM	1:10
Total Time Accrued				5 hours 46 minutes

SOURCE: Time cards for June/July 2012.

Option three outlined in the July 2012 email would violate the FLSA, which prohibits employers from carving out time from a specific work week that is worked in excess of 40 hours and treating it as “straight” time and not allowing the time to be calculated as time and one-half. Further, the district treated the nonexempt employees as exempt employees by allowing one six-hour day to equal a full day of work. The FLSA provisions clearly state that time worked is time paid.

Another example that was reported during interviews is related to the position of the superintendent’s administrative assistant. This position receives a stipend for the hours worked assisting at board meetings. The FLSA does not recommend this practice because it may lead to not paying an exempt employee in accordance with the FLSA guidelines. The district is at risk of violating the FLSA because the personnel administering overtime pay do not have procedures nor the expertise to accurately interpret district policy and law as described in the FLSA. Further, paying a nonexempt employee a flat stipend for work performed after the 40-hour work may not accurately compensate the nonexempt employee for all the hours worked in compliance with the FLSA.

The Texas Association of School Business Professionals, TASB, and the Texas Association of School Personnel Administrators are recognized professional organizations that offer training in the FLSA and other employment law.

The district should provide district personnel who administer and approve compensatory time transactions with training in the requirements of the FLSA. After this training, the trained personnel can develop detailed procedures for the administration of overtime.

The district should develop procedures that explain how to convert the stipend amount into an hourly rate and then pay the nonexempt employee a weighted average of the employee’s primary job rate and the hourly stipend rate. This practice would ensure that the stipend hourly rate is at or above minimum wage.

The district also should purchase institutional memberships in professional organizations that provide wage and hour training. Additionally, training should be provided on an annual basis to all supervisors and nonexempt employees.

Procedures should be developed for compliance with the FLSA. A procedure should be in place for nonexempt employees and employees should receive a detailed report of

their overtime hours and how those hours correspond to time and one-half. This procedure, provided each pay period, would allow the employee to review the time for accuracy. To comply with the FLSA and avoid penalties, the district should also review all time sheets, including overtime worked for school year 2013 and allot correct renderings of compensatory time owed to nonexempt employees.

The district can implement this recommendation with existing resources as the cost of training is reflected elsewhere in this chapter.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practice, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 6: HUMAN RESOURCES MANAGEMENT							
30. Assign responsibility for overseeing the human resources function to an upper-level administrator who will attend training and develop policies and procedures that assist in coordinating all HR areas.	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$2,250)	(\$385)
31. Establish an administrative specialist position to organize and coordinate the district's records management function and assist with human resources duties.	(\$26,927)	(\$26,927)	(\$26,927)	(\$26,927)	(\$26,927)	(\$134,635)	\$0
32. Develop staffing formulas based on best practices and examples from similar districts to guide the allocation of staff to district schools.	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,500)
33. Provide district personnel who administer and approve compensatory time transactions with training in the requirements of the Fair Labor Standards Act.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 6	(\$27,377)	(\$27,377)	(\$27,377)	(\$27,377)	(\$27,377)	(\$136,885)	(\$10,885)

CHAPTER 7

FACILITIES USE AND MANAGEMENT

LULING INDEPENDENT SCHOOL DISTRICT

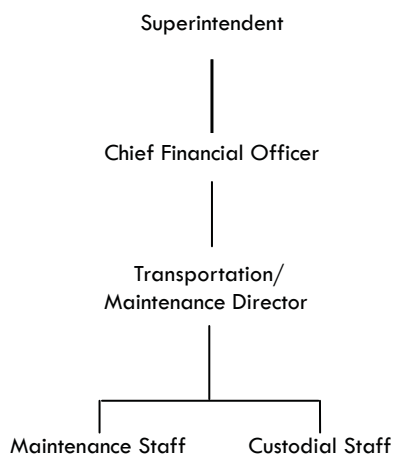
CHAPTER 7. FACILITIES USE AND MANAGEMENT

The physical setting for learning is a vital part of a child's educational experience and is likely to enhance his/her experience and facilitate achievement, or, conversely, to detract and impede learning. The facilities function of school districts must effectively operate and maintain buildings, grounds, athletic fields, and other facilities to provide a safe, productive, and clean environment to support educational programs.

Quality programs are based on facility planning that addresses instructional requirements, the age or useful life of a facility, and assessment of future changes in needs and growth. Funding and legislative requirements or mandates are also essential considerations in facilities planning. Strategic planning activities must be organized and articulated in a manner to accommodate change.

Preventive maintenance and timely repairs are also key elements of facilities management and must be addressed to ensure that facilities are in working order and provide an atmosphere that is conducive to learning. Custodial operations are also a vital part of the process of providing a high quality educational environment. The condition of school facilities has been shown to have an important impact on student performance and teacher effectiveness.

EXHIBIT 7-1 LULING ISD FACILITIES ORGANIZATION JANUARY 2013



SOURCE: Luling ISD Business Office, January 2013.

In Luling Independent School District (Luling ISD), the chief financial officer (CFO) is responsible for directing maintenance operations. The CFO supervises the Transportation/Maintenance director who has responsibilities over transportation, maintenance, and custodial staff. The Transportation/Maintenance director's specific responsibilities include maintaining the facilities and school grounds and keeping the facilities clean and functional. He has a staff of 18 under his direction, including 5 maintenance staff and 13 custodians. The district does not contract or outsource custodial or maintenance services. **Exhibit 7-1** shows the organization of the facilities function at Luling ISD. At the time of the review, the Transportation/Maintenance director reported to the CFO. Since the onsite visit, the district indicated that the Transportation/Maintenance director now reports directly to the superintendent.

In addition to one building that is no longer used as a school, Luling ISD has four main instructional facilities: Luling High School, Luling Junior High School, Shanklin Elementary School, and Luling Primary School. **Exhibit 7-2** shows the district's building inventory.

In May 2001, the district passed a bond issue for a total of \$5.3 million, for construction, improvement, and renovation of buildings in the district and for the purchase of equipment for those buildings. The major projects within the bond issue included construction of classroom additions at the high school, Rosenwald Elementary (which was an operating school at the time), and Shanklin Elementary School; construction of the field house and high school gymnasium; addition of classrooms, a library, and a computer lab at the primary school; construction of the high school band hall; construction of the maintenance facility and bus barn office; and remodeling of the fine arts building.

Luling High School houses students in grades 9-12. The main building of the instructional facility was built in the mid-1980s, and there have since been several renovations and additions which added classrooms and expanded office space. The vocational building was built at the same time as the main building, and the two structures are adjacent to one another and comprise the high school instructional facility. An addition was completed in 1997, which increased the size of the vocational facility by 2,000 square feet. Within the

**EXHIBIT 7-2
LULING ISD'S BUILDING INVENTORY
SCHOOL YEAR 2012-13**

FACILITY	YEAR BUILT	SQUARE FEET
Luling High School	1984	32,962
Luling Junior High School	1962	32,884
Shanklin Elementary School	1965	28,848
Luling Primary School	1954	18,097
Rosenwald Elementary School (Closed)	1967	16,662
Storage Facility	1930	2,964
Auditorium/Gymnasium	1937	11,436
Junior High /High School Cafeteria	1962	7,461
Band Hall	2003	4,996
Vocational Building	1984	8,980
High School Gym/Field House	2003	25,517
Transportation/Maintenance Building	2003	2,666
Multi-purpose Building	1930	4,500
Administration Building	1993	2,760

SOURCE: Luling ISD Facility Assessment Report, communication with district personnel, January 2013.

vocational building are vocational classes, shop programs, vocational agriculture, welding, and the Future Farmers of America. All the high school buildings are built of structural steel construction with masonry exterior walls and drywall partitions within the interiors. The roof of the main building was replaced in 2009 with a welded seam roof system.

Luling Junior High School houses grades 6-8 and was built in the early 1960s. Since that time, there have been three additions to the main junior high building. The school, including the additions, is built of structural steel construction with masonry exterior walls and drywall interior partitions. The roof is a sloped ballast roof with metal fascia.

Shanklin Elementary School houses students in grades 2-5. This instructional facility was built in 1965. There has been one major addition when classrooms were added during the 2001 bond program. The main building was built of structural steel with masonry exterior walls and concrete masonry units. Interior partitions are drywall. The roof deck is a tectum installation. At various locations, the structural steel is exposed as is the acoustical deck. The ceilings have

been lowered in the cafeteria and library as well as in the classrooms. The corridors have areas of exposed steel.

Luling Primary School houses students in grades pre-Kindergarten (pre-K)-1. The original classroom building was constructed in the 1950s. The cafeteria was added along with a classroom addition in the late 1980s. The latest addition was for additional classrooms and was built during the 2001 bond program.

The Rosenwald facility housed pre-K and Kindergarten students until 2011. It now is used for the Head Start Program, which is not part of Luling ISD. This instructional facility was built in 1967 with a separate classroom addition added during the 2001 bond program. The original main building, which used to house the administrative offices, cafeteria, library, and classrooms, is built of wood construction with masonry exterior walls and drywall partitions for the interior. The roof is sloped ballast with wood fascia. The district uses a portion of the building for storage of old textbooks and equipment.

There are a number of other facilities located on the school district grounds, which include:

- the old maintenance building, now used for storage;
- the auditorium/gymnasium, which houses elementary physical education during inclement weather and high school drama;
- the secondary cafeteria, where junior high and high school student meals are prepared and served;
- the band hall;
- the vocational building, which houses the district's vocational programs;
- three portable buildings, one used for the Disciplinary Alternative Education Program (DAEP), and two for elementary classrooms;
- the athletic fields for competitive and intramural athletics;
- the athletic field house, which has dressing and training facilities and coaches' offices;
- the transportation/maintenance building, where buses are parked and minor repairs are done;
- a multi-purpose and board meeting facility for meetings and staff development; and

- the administration building, which provides facilities for the central administrative staff.

FINDINGS

- ◆ Luling ISD does not have a long-range facilities plan that has been adopted by the Board of Trustees.
- ◆ Luling ISD does not have a plan in place to address short-term facilities maintenance needs and update structures that do not comply with the requirements of the Americans with Disabilities Act.
- ◆ The Disciplinary Alternative Education Program facility is inadequate as an instructional setting.
- ◆ Luling ISD's facilities are aging, and important maintenance and repairs have often been deferred.
- ◆ Luling ISD has no processes in place designed to save energy and no districtwide coordination or monitoring of energy use has been employed.

RECOMMENDATIONS

- ◆ **Recommendation 34: Establish a committee of stakeholders to review and update the long-range facilities plan prepared by the external architectural firm and present it to the Board of Trustees for approval and implementation.**
- ◆ **Recommendation 35: Establish a facilities condition assessment to identify short-term maintenance and repair needs.**
- ◆ **Recommendation 36: Move the Disciplinary Alternative Education Program from the portable building to existing classroom space in the vocational building.**
- ◆ **Recommendation 37: Develop and implement a preventive maintenance program.**
- ◆ **Recommendation 38: Develop and implement an energy management plan.**

DETAILED FINDINGS

LONG-RANGE FACILITIES PLAN (REC. 34)

Luling ISD does not have a long-range facilities improvement plan that has been adopted by the Board of Trustees. In 2010, the district contracted with an external architectural firm and appointed a citizens advisory committee to conduct a comprehensive and productive process to study facility

needs and match those needs with student performance issues. The result was a long-term facilities plan designed to enhance student learning. The committee met over a period of 10-months and reached consensus on a number of issues that should be addressed. The report included, but was not limited to, the following recommendations:

- rekey to one master key system,
- replace broken and inefficient exterior windows,
- replace drinking fountains,
- replace carpet in library,
- replace staff restrooms,
- replace trough urinals,
- replace original light fixtures,
- renovate science labs,
- replace ramps to meet code requirements,
- repair extensive masonry cracking, and
- replace stained ceiling tiles.

One critical need which has recently been completed is the placing of audible fire alarms on all instructional facilities. However, no other recommendations and facility needs identified in the 2010 report have been addressed due to leadership turnover in the district. Other needs identified in the report that have not been addressed include:

- inadequate number of restrooms and poor restroom conditions,
- not enough space for children to play inside during bad weather,
- the need for children to share the old gymnasium with the high school drama department because the only stage in the district is located there, and
- the need for more kitchen and dining space for elementary as well as junior high and high school students.

The district spent \$14,000 in procuring the facilities plan from the external architectural firm in 2010. Both the cost expended on the contract, as well as the time and effort of the committee members, are not being maximized as the district has not put this information to use. Further, without a current plan to drive facilities improvements, district

buildings may continue to degrade and deteriorate, becoming unsafe or not up to regulation.

Manor ISD developed a long-range facility plan for all of its buildings with community support. The district's strategic plan includes a focus area on facilities and structures with quality indicators that include the following: "Utilize district resources to facilitate alignment with 21st century learning with the first success measure to assemble a facilities task force to create recommendations of facilities design to the Board of Trustees." On the district's website, community members are invited to participate in the Facilities Task Force, which met regularly for several months to help the district develop ideas for 21st century facilities. By continuing to include the community, making the plan public, and incorporating facilities improvement in the district's strategic plan, Manor ISD has sustained a district and community focus on facilities issues and taken steps to ensure implementation of its long-range facilities plan.

Luling ISD should establish a committee of stakeholders to review and update the long-range facilities plan prepared by the external architectural firm and present it to the Board of Trustees for approval and implementation. The district should make every effort to re-engage the citizens' advisory committee in the process of updating the long-range facility plan. Implementation of this recommendation will involve several steps. The committee should conduct a needs assessment of district facilities. This assessment should be used to reevaluate the long-range facilities plan developed in 2010. The committee will need to discuss strategies and options related to short- and long-term facility needs and how the plan that was developed in 2010 should be updated in 2013 to address the district's future needs.

In developing the updated long-range facilities plan, the district will need to look 10 years into the future, and it will be imperative to anticipate how the instructional needs of students will change during that period. The updated plan for facilities must be reflective of changes in instruction and learning, including technology changes. The updated facilities plan should also consider the following: current building age and condition, student population changes, enrollment projections, educational framework, programmatic issues, school capacity, grade configurations, and renovate versus replace decisions. After the facilities plan has been updated, it should be presented to the Board of Trustees for approval and implementation.

The district can implement this recommendation with existing resources.

CONDITION OF DISTRICT FACILITIES (REC. 35)

Luling ISD does not have a plan in place to address short-term facilities maintenance needs and update structures that do not comply with the requirements of the Americans with Disabilities Act (ADA). The district has deferred long-term maintenance issues. For example, buildings have not been painted regularly, broken windows have not been properly replaced, and broken and abandoned air conditioning units have not been removed from the instructional facilities. In addition, facilities have not been updated to comply with ADA accessibility requirements. For example, portions of the high school building have ADA non-compliant limitations in student and staff restrooms. Portions of the exterior and interior of the junior high school contain numerous ADA non-compliant limitations related to exterior and interior accessibility. Staff restrooms adjacent to the lounge and workroom do not meet ADA clearance and accessibility requirements. At Shanklin Elementary, the student restrooms have not been renovated. There is no accessible route to the stage for handicapped students; a ramp is not in place. If any major improvement or facility additions are done to these buildings, the district will be required by federal regulations to address these issues.

In addition, audible fire alarm devices have recently been installed and activated in all schools. However, although they were activated initially, at the time of the review team's visit, the alarms were not activated in the additions at Luling Primary School and Shanklin Elementary School. However, the district reported that since the onsite visit the alarms have been activated.

The portable buildings in use at Shanklin Elementary are in poor repair and are not attractive as instructional settings. The playgrounds at the elementary and primary instructional facilities are inadequately equipped, according to the principal. They lack groundcover and equipment that is in good working order, and that is designed to improve hand-eye coordination and student development. However, after the onsite review, the principal indicated disagreement that the facilities are inadequate. According to the architectural firm hired by the district in 2010, placing a soft material under playground structures would provide a safer setting. The recommendation from the architect is for a flexible wood fiber such as Fibar. Materials like this compact to create a surface that is safer for children.

Through failure to adequately address needed facility repairs and renovations, the district will remain out of compliance with ADA regulations, and the learning environment may be compromised with a potential negative impact on student achievement. According to Glen Earthman in his UCLA study, *School Facility Conditions and Student Academic Achievement*, clean, attractive, and comfortable settings which are properly maintained enhance learning. The condition of the district's facilities do not reach such a level because adequate resources have not been made available and because of the high turnover rate of district and school leadership. In addition, the cost of repairs will only increase if routine maintenance and repair issues continue to be neglected and postponed.

Luling ISD should establish a facilities condition assessment to identify short-term maintenance and repair needs. This assessment should be used to identify and prioritize a list of immediate short-term maintenance and repairs and develop options for addressing the most pressing facility problems in the district. Special consideration should be given to facilities that are not in compliance with ADA. The district should form a committee to develop the facilities condition assessment along with timelines and strategies for implementation. The committee should include the Transportation/Maintenance director, school administrators, district administrators and teachers. The committee should determine which of the district's needs are most immediate, which should be conducted in-house, and which should be outsourced. The district should dedicate funds in the budget to carry out the short-term plan.

The district can implement this recommendation with existing resources.

LOCATION OF DISCIPLINARY ALTERNATIVE EDUCATION PROGRAM FACILITY (REC. 36)

The Disciplinary Alternative Education Program (DAEP) facility is inadequate as an instructional setting. The DAEP program is housed in an old portable building that is poorly maintained and is inconveniently located. Teachers at the high school and the junior high find the location of the DAEP facility inconvenient because it is difficult to get student assignments to DAEP staff or to assist with instruction because the building is located a block away from the secondary instructional facilities. The portable in use for secondary DAEP is unattractive and in poor repair. Broken windows have been replaced with Plexiglas, and there are

loose railings and peeling paint, resulting in a dilapidated appearance.

According to the Texas Education Code, Section 37.008, students in DAEPs must be separated from regular education students, and they must be given opportunity to complete coursework necessary for graduation requirements. The alternative setting can be on or off the regular campus but must provide supervision, counseling, and instruction in core curriculum.

Luling ISD should move the DAEP from the portable building to existing classroom space in the vocational building. The vocational building houses the vocational classes, including shop classes, vocational agriculture, welding, and other classrooms. This move should be carried out before the beginning of school year 2013–14. There are no issues related to preparation or planning as this is simply a room assignment change to be made by the principal in order to provide better instruction and supervision.

By moving the DAEP program to the regular campus, state requirements will still be met and student needs will be better met. The move to a better facility within the high school campus could also lessen some of the stigma and stereotyping of students who are in need of alternative education programs and could improve morale. Students will be in an environment that is not isolated and they are not as likely to be identified as "different." Another result will be better communication between the regular secondary classroom teachers and the DAEP staff.

Since the onsite visit, the district reports that the DAEP has been moved to a building near Luling High School.

The district can implement this recommendation with existing resources. There is no market for the sale of the portable building due to its poor condition. The building could be left in place and could be considered for use as a storage building.

PREVENTIVE MAINTENANCE (REC. 37)

Luling ISD's facilities are aging, and important maintenance and repairs have often been deferred. Historically, the facilities have not been managed or maintained according to a regular schedule or any particular guidelines, written plans, or directives. There has been little organized supervision and no evidence of aggressive preventive maintenance. The facility maintenance program is designed to be reactive rather than proactive. The district does not have a preventive maintenance program. The Maintenance department deals

with emergencies as they occur. Work order requests and completion records in the district's computerized work order system indicate that the Maintenance staff spent most of their work hours completing emergency work orders during November, December, and January of school year 2012–13. Of 140 work orders examined, 120 were of an immediate or emergency nature. There are frequent reports of the heating and cooling systems being inoperable, particularly when the weather is exceedingly hot or exceedingly cold. Another example of a lack of preventive maintenance can be seen at the elementary school where the steel beams are rusting and exposed.

The Maintenance staff was reduced by two positions in school year 2010–11 during a districtwide workforce reduction. One of the positions has since been reinstated, and there are no plans or funds available to replace the other position. The Transportation/Maintenance director and the Maintenance staff report being too busy trying to complete emergency maintenance work orders as quickly as possible, and, as a result, are unable to do much preventive or long-term maintenance. The district's ratio of Maintenance staff to gross building area maintained per full-time equivalent (FTE) is 1: 40,147. The standard published in the *American School and University (AS&U) M&O Cost Study* (April 2008) is 1:107,439. Therefore, it would appear that the Maintenance department staffing is not consistent with the standard; however, with the age of Luling ISD's buildings, a lower ratio is reasonable.

In December 2012, the superintendent and the assistant superintendent of Curriculum and Instruction conducted a walkthrough of instructional facilities and produced a list of 100 "doable tasks" for maintenance. A few of the tasks include repair to exterior doors at the high school and junior high, replace broken locks throughout the facilities, remove broken and abandoned equipment strewn about the facilities, and pick up trash. The Transportation/Maintenance director was subsequently encouraged to take care of these issues and others that arise with a sense of urgency and attention to detail.

Other deferred repairs and maintenance at the high school include light replacement, repair of ground erosion, providing grass or other ground cover, cleaning the brick exterior, re-caulking windows, replacement of damaged ceiling tiles, interior and exterior repainting where needed and replacing gutters and downspouts.

The lack of a preventive maintenance program causes the district's facilities and equipment to wear out sooner than it would if they were maintained properly. The maintenance of instructional facilities affects the physical, educational, and financial foundation of the organization and should therefore be a focus of both its day-to-day operation and long-term management priorities. Financially, a preventive maintenance program will result in cost savings in terms of repairs and replacement of equipment.

Best practices in designing a facilities maintenance plan place the needs of the stakeholders at the core of the strategies and procedures for planning, implementing, and evaluating effective programs. The maintenance plan is a process to be followed, rather than a set of "one size fits all" solutions. Additionally, recommendations are based on "best practices," rather than mandates and include the following issues:

- planning for school facilities maintenance;
- facilities audits;
- providing a safe environment for learning;
- maintaining school facilities and grounds;
- effectively managing staff and contractors; and
- evaluating facilities maintenance efforts.

Elgin ISD and Manor ISD developed such facilities plans based on the identified best practices.

Elgin ISD employed an architect to assist in developing a short-term plan to address current conditions of the district's facilities. The district also operates a summer program of preventive maintenance. All maintenance workers and custodians are organized into work teams with specific tasks that the assistant superintendent of finance identifies. There are projected completion timelines for such jobs as waxing the floors and painting classroom interiors of instructional facilities on a rotating basis. Each summer, contractors service all furnaces and cooling systems to be sure the systems are in good condition.

Manor ISD has an established aggressive preventive maintenance program that has successfully increased the projected useful life of district facilities and equipment. Supervision of the program is well-organized with high expectations for all district staff. A component of Manor ISD's preventive maintenance program begins with the classroom teacher. Teachers are encouraged to be observant and proactive in identifying building and playground issues

related to maintenance. Each spring, principals are required to get written input from their teachers to develop an instructional facility “wish list” of repairs, alterations, or improvements that will make facilities more attractive, safer, or more useful. The district administration takes these requests from teachers seriously and tries to complete as many as possible in order to reinforce teachers’ participation in the process.

Luling ISD should develop and implement a preventive maintenance program. Development and implementation would begin with the Luling ISD chief financial officer (CFO) researching sample preventive maintenance plans, timelines, and time and effort allocations, as well as budget requirements. Such costs to consider include additional staff, materials and equipment. These should be factored as a part of an analysis of cost versus return before implementation. A comprehensive preventive maintenance plan should contain elements such as the purpose of the plan, the district’s objectives, and the scope of the program. Also, the plan should contain a description of goals, process, tasks, and scheduling.

The Transportation/Maintenance director should then be assigned to develop a preventive maintenance schedule and program with input from the CFO. Preventative maintenance should then be included in the budget as a proposed expenditure. The superintendent should give final approval to the plan and the schedule. The CFO, the Transportation/Maintenance director, and the Maintenance staff should then be held accountable for implementing the plan with self-monitoring and periodic monitoring by the superintendent.

Since the time of the review, the district reported that it has assigned a maintenance worker to each campus. Maintenance workers do a walkthrough of their campuses in the morning and fix any problems they may find. They are also responsible for mowing, weed eating, and picking up trash outside their campuses.

The district can implement this recommendation with existing resources.

ENERGY MANAGEMENT (REC. 38)

Luling ISD has no processes in place designed to save energy and no districtwide coordination or monitoring of energy use has been employed. State legislation enacted in 2007, requires the Board of Trustees to reduce energy consumption by 5 percent each year for six consecutive years. The Luling

ISD facilities are very old; for instance, the newest main building in the district is the high school, which is 29 years old. Several other structures still in use were built in the 1930s. A number of heating, ventilation, and air conditioning (HVAC) units at the high school and junior high school main buildings, though functioning adequately, are now 12 years old. According to the lead architect from the SHWG Group, the architectural firm that produced the Facilities Assessment Report, new technology is available that is much more efficient than what is in place. The heating and air conditioning units vary from large instructional facility units to individual classroom units across the district, and the degree of efficiency varies according to type and age. Further, on every instructional facility in the district, original light fixtures remain in use. With the exception of the 2001 building additions, light fixtures in district buildings do not provide enough light and are not energy efficient, according to the Facilities Assessment Report. The failure to develop and implement an energy management plan will result in continued non-compliance with state requirements. Utility costs are likely to increase and place additional strain on the district’s financial resources.

A variety of measures can be implemented to reduce district energy use. The district could choose to initiate a program in-house; however, there are a number of energy management companies who will provide consultants at no charge to the district to assist in designing an energy management program and to guide the district through the process. These companies do not receive any financial benefits from the district unless there are substantial documented energy savings. These programs are specifically designed for the needs of individual districts based on numerous factors such as age, design, and efficiency of the equipment and design of the buildings in the district. The programs have been successful in numerous districts across the state and have been proven as best practices in schools and industry.

Assistance is also available free of charge from the State Energy Conservation Office (SECO). SECO provides support for facility-related issues such as:

- energy accounting;
- energy-efficient facility operation and maintenance;
- indoor air quality;
- water conservation; and
- comprehensive energy planning.

In addition, onsite training is offered to teachers for student-involved energy awareness projects and energy education.

Another innovative program that involves students in energy audits is STEM-Savings Through Energy Management. School districts that have initiated successful energy management programs vary in size from small to large. Examples of successful programs exist in San Angelo ISD, Manor ISD, Elgin ISD, and Paint Rock ISD. Savings vary from thousands of dollars per year to hundreds of thousands of dollars per year.

Luling ISD should develop and implement an energy management plan. The district should consider conducting an energy audit, which can consist of a variety of approaches ranging from a quick walkthrough of a facility to identify

major problem areas to a comprehensive analysis of facilities, equipment, and usage conducted by professional energy managers with sophisticated equipment. The need in Luling ISD is for a thorough and professional analysis utilizing both approaches. They should conduct close monitoring and regular walkthroughs.

Since the onsite visit, Luling ISD reported that the district has had an energy management plan since 2001 that monitors HVAC. The district reported that the management program has set times for the HVAC units to come on and off.

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 7: FACILITIES USE AND MANAGEMENT							
34. Establish a committee of stakeholders to review and update the long-range facilities plan prepared by the external architectural firm and present it to the Board of Trustees for approval and implementation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35. Establish a facilities condition assessment to identify short-term maintenance and repair needs.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36. Move the Disciplinary Alternative Education Program from the portable building to existing classroom space in the vocational building.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37. Develop and implement a preventive maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38. Develop and implement an energy management plan.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 7	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHAPTER 8

CHILD NUTRITION SERVICES

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 8. CHILD NUTRITION SERVICES

Effective school food service operations provide students and staff with appealing and nutritious breakfasts and lunches at a reasonable cost in an environment that is safe, clean, and accessible. Ideally, a Food Service Department will be fiscally self-sustaining, while offering meals that meet all local, state, and federal requirements.

Luling Independent School District (Luling ISD) has contracted with ARAMARK, a food service management company (FSMC), to operate the Child Nutrition Programs (CNP) in the district since 1984. The Food Service Department consists of 15 employees, both management and staff; all are employed by ARAMARK.

Luling ISD has three cafeterias. Luling Junior High School and Luling High School share one facility; Shanklin Elementary and Luling Primary Schools each have cafeterias. Adult special order meals are prepared at the high school cafeteria and delivered to the other campuses. The high school has an open campus, meaning students may leave for lunch; all other campuses are closed.

Luling participates in the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Afterschool Snack Program, and the Summer Food Service Program (SFSP). The district operates a breakfast-in-the-classroom program at the elementary school. There are no universally free breakfast programs operated in the district. The percentages of students qualifying for free and reduced-price meals will not fiscally support providing breakfast to all students at no cost.

The Food Services Department is funded by federal reimbursement for free, reduced-price, and full-price meals, state matching funds, and local revenues from the sale of meals and a la carte foods. Luling ISD also provides catering services within and outside of the school district. All catering revenues are returned to the Food Services Department.

The food service operating budget proposed by the FSMC for the school year 2012–13 projects \$678,639 in revenue and \$651,457 in expenditures. During November 2012, the average daily participation (ADP) in the NSLP was 916 (64 percent) of 1,441 enrolled students, and ADP in the breakfast program was 507 students (35 percent).

FINDINGS

- ◆ Luling ISD subsidizes the Food Services Department annually with local funds.
- ◆ Luling ISD does not reconcile and validate the monthly food service management company invoice and has not developed a comprehensive oversight plan to remain directly involved in and to closely monitor food services operations.
- ◆ Luling ISD receives its designated amount of United States Department of Agriculture Foods, but the district does not monitor the use and crediting of those foods.
- ◆ Luling ISD did not secure approval from the Texas Department of Agriculture for an alternate point-of-service collection method used for counting and claiming breakfasts served in the classrooms at Shanklin Elementary School.
- ◆ Luling ISD did not conform to Accuclaim onsite review regulations during school year 2011–12.
- ◆ Luling ISD does not fully realize the nutritional value to students and the revenue available through the Child Nutrition Programs.
- ◆ The full-price student and adult breakfast and lunch prices do not cover the cost of producing and serving the meals.
- ◆ The breakfast and lunch menus on the day of the review of Shanklin Elementary School were not in compliance with the federal meal pattern requirements.
- ◆ Luling ISD does not ensure that food service staff are consistently following standardized recipes, maintaining complete and accurate food production records, and retaining a complete file of Child Nutrition labels and product analysis sheets as documentation of the meals served and claimed for reimbursement.
- ◆ Luling ISD has not properly implemented the Offer versus Serve provision of the National School Lunch

and the School Breakfast Programs in all district schools at all grade levels.

- ◆ Luling ISD does not monitor tray waste or take an active role in determining the types of menu items that are served.
- ◆ Luling ISD does not independently research the prices paid for food, including rebates and credits.

RECOMMENDATIONS

- ◆ **Recommendation 39:** Perform a full cost-benefit analysis of the district's Food Services Department, as operated through the FSMC contract, to determine if it is possible for the programs to be fiscally self-sustaining.
- ◆ **Recommendation 40:** Reconcile and validate the monthly FSMC's invoice before making payment and develop a comprehensive oversight plan to remain directly involved in, and to closely monitor, Food Service Department operations.
- ◆ **Recommendation 41:** Develop written procedures and assign a district employee to monitor the use and crediting of the district's USDA Foods.
- ◆ **Recommendation 42:** Submit a revised Free and Reduced-Price Meals Policy Statement, Attachment B, Collection Procedure for breakfast-in-the-classroom served at Shanklin Elementary School.
- ◆ **Recommendation 43:** Assign a district employee to conduct the annual Accuclaim onsite review of meal counting and recording procedures in each school.
- ◆ **Recommendation 44:** Develop strategies for increasing student participation in the SBP and NSLP.
- ◆ **Recommendation 45:** Raise adult and student full-price breakfast and lunch prices to ensure that the revenue generated is sufficient to cover the cost of preparing and serving the meals.
- ◆ **Recommendation 46:** Monitor FSMC staff to ensure that the breakfast and lunch menus are planned to meet all USDA meal pattern requirements.
- ◆ **Recommendation 47:** Monitor to ensure that kitchen employees consistently use standardized

recipes and record accurate and complete information on the food production records.

- ◆ **Recommendation 48:** Implement Offer versus Serve in all district schools at all grade levels for both breakfast and lunch meal service in an effort to reduce waste.
- ◆ **Recommendation 49:** Conduct plate waste studies and consult with Food Services Department staff to determine the types of foods that should be served, and develop strategies for reducing the amount of food students are discarding.
- ◆ **Recommendation 50:** Compare the food prices paid through the FSMC to the prices paid by the members of the Region 20 Texas 20 Food Purchasing Cooperative as part of the full cost benefit analysis.

DETAILED FINDINGS

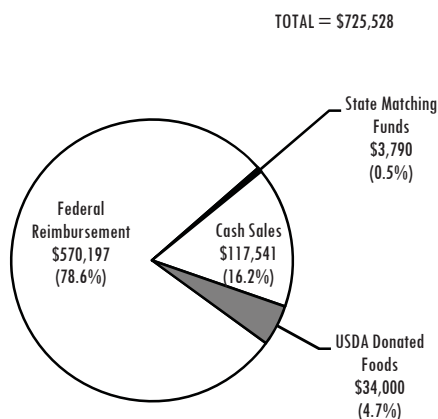
PROGRAM OPERATING COSTS (REC. 39)

Luling ISD subsidizes the Food Service Department annually with local funds. The 2011–12 contract between Luling ISD and the FSMC states, in summary:

- The estimated projected surplus for school year 2011–12 is \$32,116.58 (the "FSMC Guaranteed Return") for those items of revenue and expenditure set forth in the Food Service Budget Attached hereto as Exhibit C.
- The district shall be responsible for the balance of the district's shortfall. The term "School Food Authority's Surplus" shall mean the amount, if any by which district's actual total revenues for the current school year exceed district's actual total expenses for the current school year." It must be noted that total revenues and total expenses are as addressed in the Luling ISD/FSMC contract (Exhibit C, ARAMARK Food Service Budget-Fixed Meal Rate) and Amendments; this does not include all expenses. (See **Exhibit 8–3** Designation of Program Expenses for a complete listing.)

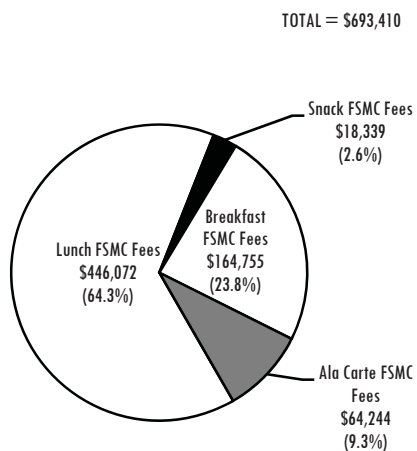
Exhibits 8–1 and **8–2** show the projected revenue, expenditures, and FSMC Guaranteed Return indicated in the FSMC Contract, Exhibit C, Food Service Budget - Fixed Meal Rate.

EXHIBIT 8-1
LULING ISD TOTAL REVENUE BY SOURCE
SCHOOL YEAR 2011-12



NOTE: As represented in FSMC-proposed budget.
 SOURCE: Amendment No. 1 to Contract for Food Service Management, Exhibit C, Food Service Budget - Fixed Meal Rate; April 25, 2011.

EXHIBIT 8-2
LULING ISD TOTAL EXPENDITURES BY SOURCE
SCHOOL YEAR 2011-12



SOURCE: Amendment No. 1 to Contract for Food Service Management, Exhibit C, Food Service Budget - Fixed Meal Rate; April 25, 2011.

The district does not calculate the total value of Food Services Department expenditures. The Food Services Department does not pay for electricity, water, pest control, and telephone service, including a fax line. These expenses are paid for by Luling ISD out of its general fund. The district's chief financial officer (CFO) estimated that the total annual cost for these line items was approximately \$38,158.

The FSMC's guaranteed return for school year 2011-12 was \$32,116.58. The USDA Foods entitlement is included as revenue while the use of those foods is not included as an expenditure in the Luling ISD/FSMC contract and Amendments.

In addition, the district provides maintenance and custodial support at no cost to the Food Services Department. For example, one daily task performed for Food Services Department by Luling ISD custodial staff at each individual cafeteria is trash removal. The CFO indicated that the cost to the general fund for these services is minimal. **Exhibit 8-3** shows Food Services Department cost assignments as indicated in the Luling ISD/FSMC contract.

Luling ISD contracts with the FSMC for a fixed fee per meal or meal equivalent served. The definition of "fixed fee" as provided in the FSMC contract, Section III-A, Standard Terms and Conditions: Definitions, is: "Fixed Fee means an agreed upon amount that is fixed at the inception of the Contract." **Exhibit 8-4** shows the Luling ISD/FSMC fixed fee rates for school years 2010-11 to 2012-13.

The charges for breakfast, lunch, and afterschool snacks are calculated by multiplying the reimbursable meal counts by the appropriate fixed fee rate. A la carte, catering, and adult meal sales are charged based on meal equivalents multiplied by the fixed fee rate.

The definition for meal equivalent as provided in the FSMC contract is: "meal equivalent means a meal that is deemed to be provided by the FSMC by dividing the total of cash receipts, other than from sales of NSLP meals, SBP meals, AfterSchool Snack Program meals, and summer program meals, by the equivalency factor of \$2.90268. (**Exhibit 8-5** shows the computation of the meal equivalency rate.) The equivalency factor for the meal equivalent shall remain fixed for the term of the contract and all renewals. Computation of the Meal Equivalency Rate means the sum of the total reimbursement received for each lunch meal served and claimed."

As shown in **Exhibit 8-3**, the FSMC has responsibility for, and control over, managing the three major expenditures for operating the Food Services Department: food, labor, and disposable supplies. These expenditures are charged to the district through a fixed fee rate per meal and meal equivalent. The only control over expenditures in these areas that the district exercises is determining the fees and formula for which the meal equivalents are calculated, as agreed upon in the negotiation of the contract terms. The district pays the

EXHIBIT 8-3
DESIGNATION OF PROGRAM EXPENSES, SCHOOL YEAR 2010-11

DESCRIPTION	FOOD SERVICE MANAGEMENT COMPANY	LULING ISD	N/A
Food:			
food purchases	X		
commodity processing charges	X		
processing and payment of invoices	X		
Labor:			
FSMC Employees:	X		
salaries/wages, fringe benefits, retirement, payroll taxes	X		
Workers' Compensation and Unemployment Compensation	X		
District Employees:			
salaries/wages, fringe benefits and insurance, retirement, payroll taxes		X	
Workers' Compensation and Unemployment Compensation		X	
Other Expenditures:			
paper/disposables/supplies and cleaning/janitorial supplies	X		
tickets/tokens	X		
china/silverware/glassware: initial inventory and replacement during operation	X		
telephone: local and long distance		X	
uniforms, linens, laundry	X		
trash removal:			
from kitchen and dining areas	X		
from premises		X	
pest control		X	
equipment replacement			
nonexpendable		X	
expendable	X		
equipment repair		X	
car/truck rental			X
vehicle maintenance	X	X	
courier service (i.e., bank deposits, school deliveries)	X		
Storage costs	X		
food	X		
supplies	X		
office supplies	X		
printing		X	
promotional materials	X		
Cleaning responsibilities			
food preparation areas, including equipment	X		
serving areas, kitchen areas, dining room floors, restrooms for food service	X		
periodic waxing and buffing of dining room floors		X	
daily routine/thorough cleaning of dining room tables and chairs	X		
cafeteria and kitchen walls, windows		X	
hoods, grease filters, duct work, exhaust fans, grease traps, light fixtures		X	

SOURCE: Luling ISD/FSMC Contract; 2010-11; Exhibit D, List of Charts and Other Attachments, Chart 2.

EXHIBIT 8-4
FSMC FIXED FEE RATES
SCHOOL YEARS 2010-11 TO 2012-13

SCHOOL YEAR	BREAKFAST	LUNCH	AFTER SCHOOL SNACK	A LA CARTE, CATERING AND ADULT MEALS
2010-11	\$1.74	\$2.6425	\$0.7597	\$2.8926
2011-12	\$1.74	\$2.6425	\$0.7597	\$2.8926
2012-13	\$1.8096	\$2.7482	\$0.79009	\$3.0083

SOURCE: FSMC Contract 2010-11; Amendments No. 1 (April 25, 2011), and No. 2 (April 4, 2011).

EXHIBIT 8-5
COMPUTATION OF THE MEAL EQUIVALENCY RATE
SCHOOL YEAR 2010-11

Current Year Federal Free Rate of Reimbursement	\$2.68
Current Year State Match Reimbursement Rate	\$0.02768
USDA Foods	\$0.195
Total Meal Equivalent Rate	\$2.90268

SOURCE: Luling ISD and FSMC Contract, 2010-11, p 26.

FSMC \$3.0083 for every \$2.90268 worth of a la carte, adult sales, and catering revenue generated through the Food Service Department, therefore, the district has contracted to lose \$0.10562 for each meal equivalent.

Exhibit 8-6 shows the revenue versus FSMC fees for meals/meal equivalents using the ARAMARK generated Cash Sales and Meals Report, Date Range: 10/25/2012 to 11/21/2012. Each category of meals/meal equivalents is listed by type, number of meals, and total revenue generated. The FSMC fee is determined by multiplying the meals/meal equivalents by the appropriate fee. The last column of the chart indicates the difference between the revenue and the management fees paid for each particular type of meal during the calendar period identified.

In recent years, school food service administrators have faced increasing demands to operate the Food Services Department as self-supporting, while maintaining quality food and service as well as nutritional integrity. The ability of the school food service administrator to manage financial resources is critical to success in meeting customer needs, improving program quality, and maintaining a fiscally sound program.

Best practices suggest that the Food Services Department be fiscally self-supporting. Whether or not a specific district can achieve this goal is dependent on a number of factors including: percentages of students approved for free and reduced-price meals; closed or open campuses; student participation in breakfast and lunch programs; cost of food,

labor, and other supplies; control of tray waste; meal pricing; the contracted value of the management fees for meals/meal equivalents (for districts using a FSMC fixed-fee contract); and the contracted meal equivalency rate.

Luling ISD should perform a full cost-benefit analysis of the district's Food Services Department, as operated through the FSMC contract, to determine if it is possible for the programs to be fiscally self-sustaining. In coordination with the FSMC, the district must identify strategies for reducing costs so the operation is profitable.

The district should include all Food Services Department expenses paid through its general fund in addition to all FSMC fees. Each proposed expenditure should be determined to be necessary in contributing to the quality of the programs as defined by the district. The district should also:

- Identify areas where expenditures may be reduced and where revenues may be increased.
- Enlist the support of the FSMC in preparing a plan to make the Food Services Department self-supporting during the school year 2013-14.
- Determine a potential negotiated percentage of return to the district after all program expenses are paid by Food Services Department revenue in order to build the fund balance for purposes such as equipment replacement, upgrading cafeteria decor, and improving food and service to students.
- Prior to awarding or renewing a FSMC contract, analyze and validate all proposed charges, evaluate the value of the per meal/meal equivalent FSMC fees to ensure that they are reasonable and fair, and compare the current year's expenditures to the contract's proposed expenditures for the purpose of evaluating a FSMC proposal.

The fiscal impact is estimated based on the elimination of the additional cost to the district. The difference between revenue

EXHIBIT 8-6
REVENUE VERSUS FSMC FEES FOR MEALS/MEAL EQUIVALENTS USING THE LULING ISD CASH SALES AND MEALS REPORT
10/25/2012 TO 11/21/2012

MEAL TYPE	MEALS	SALES	FEDERAL REIMBURSEMENT	TOTAL REVENUE	EQUIVALENT MEALS	FSMC FEE	SURPLUS OR (SUBSIDY)
Any time	0	\$273.27	\$0.00	\$273.27	94	\$283.21	(\$9.94)
Catering	0	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00
Breakfast Adult Cash	0	\$16.40	\$0.00	\$16.40	6	\$17.00	(\$0.60)
Breakfast Student A La Carte	0	\$83.40	\$0.00	\$83.40	29	\$86.43	(\$3.03)
Breakfast Free	6,988	\$0.00	\$12,927.80	\$12,927.80	0	\$12,645.48	\$282.32
Breakfast Reduced-Price	655	\$196.50	\$1,015.25	\$1,211.75	0	\$1,185.29	\$26.46
Breakfast Full Price	968	\$1,210.00	\$261.36	\$1,471.36	0	\$1,751.69	(\$280.33)
Lunch Adult Cash		\$2,840.35	\$0.00	\$2,840.35	979	\$2,943.70	(\$103.35)
Lunch Student A La Carte		\$4,057.60	\$0.00	\$4,057.60	1,398	\$4,205.24	(\$147.64)
Lunch Free	11,244	\$0.00	\$32,382.72	\$32,382.72	0	\$30,900.76	\$1,481.96
Lunch Reduced-Price	1,421	\$568.40	\$3,524.08	\$4,092.48	0	\$3,905.19	\$187.29
Lunch Full Price	2,991	\$5,663.80	\$867.39	\$6,531.19	0	\$8,219.87	(\$1,688.68)
Snack Student Free	1,163	\$0.00	\$907.14	\$907.14	0	\$918.87	(\$11.73)
Totals				\$66,795.46		\$67,062.73	(\$267.27)

SOURCE: Luling Food Services Department, Cash Sales and Meals Report, Date Range: 10/25/2012 to 11/21/2012.

and FSMC fees for the 17 serving days in November 2012 was \$267.29 or \$15.72 per day or \$2,829.92 annually. $[(\$267.29) \div 17 \text{ serving days} = (\$15.72) \times 180 \text{ days} = (\$2,829.60)]$, rounded to \$2,830 annually. There are numerous ways the district may increase revenue, however, under the current contractual agreement, increasing meals and meal equivalents served increases the loss to the district through FSMC fees. The district must determine if it can continue to pay FSMC fees that are in excess of Food Services Department revenues, with the result that the district continues subsidizing the Food Services Department from the general fund.

VENDOR OVERSIGHT AND PROGRAM MONITORING (REC. 40)

Luling ISD does not reconcile and validate the monthly food service management company (FSMC) invoice and has not developed a comprehensive oversight plan to remain directly involved in, and to closely monitor Food Services Department operations. Luling ISD does not ensure that program funds are maximized to deliver quality food and service to students in a manner that complies with all state and federal regulations.

The FSMC's billing cycle does not correspond to the monthly report the chief financial officer (CFO) uses to file the claim

for reimbursement. In that the FSMC's billing cycle and the reimbursement claim cycle do not align, consolidating the fees for the breakfasts, lunches, and afterschool snacks served at each of the four schools is cumbersome and time consuming. The CFO indicated that she trusts the FSMC to ensure that the invoice is correct, and she has not conducted any consolidation and reconciliation of the meals served or the USDA Food credits issued as shown on past invoices.

The director of Food Services stated that with the monthly invoice she can provide a report of the number of meals served in each school daily, during the period covered by the company's billing cycle. She is also able to generate a report documenting revenue received from adult meals and a la carte and catering sales. Currently, the Business Office does not use this information to calculate the charges indicated on the FSMC's invoice using the current FSMC fees.

If the district does not consolidate and reconcile the monthly FSMC's invoice, any error made in calculating the original invoice may go undiscovered and the district could overpay or underpay.

Luling ISD should reconcile and validate the monthly FSMC's invoice before making payment and develop a comprehensive oversight plan to remain directly involved in, and to closely monitor, Food Services Department operations.

To accomplish this oversight, the district should develop a checklist with a timeline indicating monitoring tasks necessary to guide the activities of the FSMC and its employees. Suggested activities may include:

- monitor tray waste and adjust the menus accordingly;
- train and provide written procedures for following standardized recipes and maintaining accurate documentation to support the district's claim for reimbursable meals and monitor for compliance;
- monitor to ensure that counting and claiming procedures are submitted to be approved by TDA and executed as described in Attachment B of the Free and Reduced-Price Meals Policy Statement;
- ensure that Offer versus Serve (OVS) is implemented properly at both breakfast and lunch; and
- perform Accuclaim onsite reviews according to regulations.

TDA has outlined a Self-Assessment Tool from the *Administrator's Reference Manual (ARM)*, which is available at: www.squaremeals.org. This document provides suggestions for additional activities to be included in monitoring processes.

Best practices dictate that a school district contracting with an FSMC designate a district employee to provide oversight of the management of the Food Services Department to ensure that the best interests of the district are served. This person's responsibilities should include financial, regulatory, and operational oversight.

The district can implement this recommendation with its existing resources.

MONITOR USDA FOODS (REC. 41)

Luling ISD receives its designated amount of USDA Foods but the district does not monitor the use and crediting of those foods. The CFO also indicated that the district does not review the USDA Foods credit, including rebates from commodity processed foods passed through the broad line distributor and credit for the value of regular USDA Foods. These credits are not documented in the FSMC monthly invoice. However, the director of Food Services indicated that this information can be generated in report form for the company's billing cycle. By not reviewing these credits, the district may not be aware of the commodity entitlements and

cannot effectively monitor the prudent use of USDA Foods available for reducing the cost of meals served.

In addition, the district does not identify the value of its annual entitlement to USDA Foods (Planned Assistance Level or PAL), ensure that it draws and uses the full value of the entitlement, or monitor the commodity credit previously banked with commodity processors (manufacturers).

Exhibit 8-7 shows the district's USDA Foods planned assistance level (PAL) for the current and past three school years. Unused PAL funds do not roll over to the district's account for the next school year; instead they are returned to the state distribution agency as a rollover and redistributed among all participating districts the following school year. During school years 2009-10, 2010-11, and 2011-12, the district did not draw the full value of its PAL, resulting in an \$8,209.44 loss to the district.

EXHIBIT 8-7

LULING ISD USDA FOODS PLANNED ASSISTANCE LEVEL SCHOOL YEARS 2009-10 TO 2012-13

SCHOOL YEAR	ENTITLEMENT (PAL)	USED	UNUSED
2009-10	\$33,785.68	\$33,297.09	\$488.59
2010-11	\$44,532.29	\$41,743.16	\$2,789.13
2011-12	\$43,106.54	\$38,174.82	\$4,931.72
2012-13	\$41,544.93	N/A	N/A
Unused			\$8,209.44

SOURCE: Commodity Operations, Food and Nutrition Division, Texas Department of Agriculture, February 2013.

Additionally, the district does not have written procedures or an assigned district employee to monitor the use and crediting of the district's USDA Foods. Luling ISD also does not efficiently manage excess inventory of USDA Foods banked with manufacturers. During the review, the director of Food Service indicated that at some point prior to the school year 2010-11, Luling ISD deposited (banked) a significant amount of chicken and other products with processors; credit for deposited raw material is then given by the manufacturer through the distributor when menu items using these products are purchased. If the district does not purchase sufficient products to use the deposited raw materials, the district eventually loses the credit for the USDA foods. The director of Food Service is new to her position and has not found any backup documentation of these transactions. The CFO was unaware of when these

transactions may have occurred and had no documentation. The director of Food Service has made an effort to purchase products from these companies to reduce the balances.

Exhibit 8–8 shows the values of Luling ISD USDA Foods banked with manufacturers as of the beginning of the school year 2012–13. This information was retrieved by the director of Food Service from the commercial websites, K12 and Processor Link.

As shown in **Exhibit 8–8** at the end of last year, the carry-over value was \$128,174.04. Carry-over inventory is unused USDA Foods inventory from the previous school year, a factor contributing to excess inventory at processors. Federal regulations state that excess inventory should not exceed six months. Districts should use all USDA Foods diverted to a processor during the school year to minimize excess inventory and to receive the full benefit of the USDA Food Distribution Program.

Any balances listed as of June 30 will be considered carry-over inventory that must be used by November 30 or it will be transferred to a state account and redistributed to other school districts. TDA may also reduce a USDA Foods product order if a district has carry-over inventory for a particular product.

Best practices dictate that the district protect the value of USDA Foods as the value of cash resources are protected. When bonus commodities become available (foods that are provided but are not charged against the district's PAL), the district should request any bonus commodities it can use prior to November of the following school year.

If Luling ISD does not take an active role in monitoring the district's PAL and the use of USDA Foods, both regular and processed, the district risks losing valuable resources that could have been used to reduce food costs.

The district should develop written procedures and assign a district employee to monitor the use and crediting of the district's USDA Foods. The district should assign staff and provide written guidelines for monitoring USDA Foods. The TDA and the co-operative coordinator can serve as resources for technical assistance and identify steps for accessing the automated systems, which contain information about PAL and the products the district selected for purchase and commercial websites (i.e., K12/Processor Link websites) used by manufacturers to track usage of processed products by district.

The district should also contact the Commodity Operations, Food and Nutrition Division of TDA to determine how long the balance will continue to carry over and what options are available if the products cannot be used by the district within a reasonable amount of time. According to TDA, as of this year, if a district is unable to use all the USDA Foods they diverted to a processor in the school year, the district will have until November 30 of the following school year to use the carry-over inventory. For example, if a district has USDA Foods left over at a processor from school year 2013–14, the district has until November 30 of school year 2014–15 school year to use the USDA Foods.

The fiscal impact is estimated based on the savings from maximizing the PAL entitlement. Over the past three years, the district has left unused a total of \$8,209.44 of PAL (USDA Foods entitlement value) or an average of \$2,736.48

EXHIBIT 8–8
USDA FOOD BANKED WITH PROCESSORS
SCHOOL YEAR 2011–12

PROCESSING ALLOCATIONS	WEBSITE	ALLOCATED VALUE	BALANCE	CALCULATED RECEIVED VALUE
Advance/Pierre	PL	\$30,949.63	\$29,226.57	\$1,723.06
Land O Lakes	PL	\$39,998.68	\$38,890.03	\$1,108.65
Michaels	K12	\$11,714.03	\$11,255.21	\$458.82
Richs	PL	\$143.13	\$13.54	\$129.59
Schwans	PL	\$10,068.08	\$8,982.64	\$1,085.44
Tyson	K12	\$18,373.33	\$17,437.79	\$935.54
Tyson	K12	\$22,455.08	\$21,352.24	\$1,102.84
Schwans	PL	\$1,399.97	\$1,016.02	\$383.95
Totals		\$135,101.93	\$128,174.04	\$6,927.89

SOURCE: K12 and Processor Link websites, retrieved by Luling ISD, director of Food Service, January 16, 2013.

per year. ($\$8,209.44 \div 3 = \$2,736.48$ per year) Potential losses from unused product banked with manufacturers will remain unknown until November 2013 when it will be reclaimed by the TDA. The value of the district's USDA Foods banked with manufacturers as of the beginning of this school year was \$128,174.04.

COLLECTION PROCEDURES FOR BREAKFAST-IN-THE-CLASSROOM (REC. 42)

Luling ISD did not secure approval from Texas Department of Agriculture (TDA) for an alternate Point-of-Service (POS) collection method used for counting and claiming breakfasts served in the classrooms at Shanklin Elementary School. The current method in place during the onsite visit in January 2013 is invalid and does not yield accurate claims of reimbursable breakfasts served.

Luling ISD uses procedures for counting breakfasts served in the classroom at Shanklin Elementary School that do not conform to the district's Free and Reduced-Price Meals Policy Statement on file with the TDA. The district is claiming federal reimbursement for breakfasts that do not meet meal pattern requirements. During the onsite visit in January 16, 2013, the review team observed breakfast service in three classrooms. The menu offered milk, toast, cereal, and raisins. The district has not implemented Offer versus Serve (OVS) at breakfast in this school. OVS is a regulatory provision that allows students to decline one of the four offered food components of the breakfast. Of the 45 breakfasts observed, 14 of the children (31 percent) selected fewer than all required components. Further, there was no POS count in any of the three observed classrooms. A POS count means that the person taking the count observes the items that the student selects, determines that the selection is a reimbursable breakfast, and counts the breakfast usually by checking the child's name off of a roster. In each of the three observed classrooms, students made their selections unsupervised and the count was not taken when the selection was made. In one

classroom, children checked their own names off of the roster.

During the month of November 2012, Shanklin Elementary School served and claimed 4,263 breakfasts or an average daily participation (ADP) of 251 (4,263/17 serving days). If what was observed on the day of the review is typical, 31 percent of the 251 ADP would mean that approximately 78 of the claimed breakfasts were not reimbursable. Applying that percentage to a school year of 180 days equals a projected 14,040 (78 X 180) breakfasts claimed that are not reimbursable. **Exhibit 8-9** shows the projected daily and annual value of a 31 percent over claim of non-reimbursable breakfasts at Shanklin Elementary School.

If the district does not submit a revised collection procedure for approval to TDA and implement the procedure successfully, the district will continue to claim unearned federal reimbursement. Failure to have an approved POS counting and claiming method in place is a violation of federal regulations and could lead to the establishment of an over claim of reimbursement during the course of a Coordinated Review Effort (CRE).

The collection method used for counting reimbursable meals must be developed to ensure an accurate count of meals served is taken at the POS, approved by TDA and included in the district's policy statement, and implemented as written.

The district should submit a revised Free and Reduced-Price Meals Policy Statement, Attachment B, Collection Procedure for breakfast-in-the-classroom served at Shanklin Elementary School. The district should ensure that the district staff who are counting reimbursable breakfasts served in the classrooms to recognize the required components of the meal and record the breakfast as part of the meal count at the POS. The district should also assign staff to regularly monitor to ensure that the procedure is properly implemented. Since the time of the review, the district reports that they have implemented

EXHIBIT 8-9

DAILY/ANNUAL OVER CLAIM PROJECTIONS FOR NON-REIMBURSABLE BREAKFASTS SERVED AT SHANKLIN ELEMENTARY, JANUARY 2013

CATEGORY	REIMBURSEMENT RATE	DAILY ADP	31 PERCENT NON REIMBURSABLE	DAILY OVER CLAIM	ANNUAL OVER CLAIM
Free	\$1.85	202	63	\$116.55	\$20,979.00
Reduced-Price	\$1.55	17	5	\$7.75	\$1,395.00
Full-Price	\$0.27	32	10	\$2.70	\$486.00
Total Projected Over Claim				\$127.00	\$22,860.00

SOURCE: Developed by review team based on observations of breakfasts served and counted as reimbursable at Shanklin Elementary School on January 16, 2013.

a new policy in which all counting and claiming of reimbursable meals is only done by food service staff.

The district can implement this recommendation with existing resources.

ACCUCLAIM ONSITE REVIEWS (REC. 43)

Luling ISD did not conform to the Accuclaim onsite review regulation during school year 2011–12. Accuclaim is a nationwide project to improve the accuracy and accountability of claims for reimbursement in the NSLP and SBP. Schools are federally required to follow the Accuclaim requirements. These requirements state that districts with more than one school must conduct an annual onsite review of each school before February 1 of each school year to observe the school's counting and claiming procedures. The duty of performing the reviews must be assigned to a district employee, however, the duty was delegated to a FSMC employee in school year 2011–12.

Luling ISD should assign a district employee to conduct the annual Accuclaim onsite review of meal counting and recording procedures in each school.

An onsite review should ensure at a minimum that the counting system:

- is consistent with the district's policy statement as approved by TDA;
- is implemented to yield the actual number of reimbursable free, reduced-price, and full-price lunches served for each day of operation;
- prevents overt identification of students receiving free and reduced-price meals; and
- provides for adequate monitoring to ensure that only reimbursable meals are counted.

If a district employee does not perform the Accuclaim onsite review of the counting and recording procedures by the February 1 annual deadline, during the course of the CRE, the district may be found to be in violation of Accuclaim regulations.

The district can implement this recommendation with existing resources.

DISTRICTWIDE PROGRAM PARTICIPATION (REC. 44)

Luling ISD does not fully realize the nutritional value to students and the revenue available through the Child Nutrition Programs. Participation in the NSLP and SBP is low at some campuses. **Exhibit 8–10** shows the SBP and NSLP percentage of Average Daily Participation (ADP) as

**EXHIBIT 8–10
LULING ISD BREAKFAST AND LUNCH PARTICIPATION PERCENTAGES BY CATEGORY
NOVEMBER 2012**

BREAKFAST	FREE			REDUCED-PRICE			FULL-PRICE			TOTAL ADP %
	ADA ELIGIBLE	CURRENT ADP	ADP %	ADA ELIGIBLE	CURRENT ADP	ADP %	ADA ELIGIBLE	CURRENT ADP	ADP %	
High	175	39.5	22.6%	29	2.3	7.9%	187	3.6	1.9%	11.6%
Junior	203	77.8	38.3%	34	8.4	24.7%	91	9.8	10.8%	29.3%
Elementary	291	201.9	69.4%	36	17.2	47.8%	108	31.6	29.3%	57.6%
Primary	197	94.2	44.8%	28	9.7	34.6%	66	11.1	16.8%	39.5%
District Total	866	413.4	47.7%	127	37.6	29.6%	452	56.1	12.4%	35.1%
LUNCH	FREE			REDUCED-PRICE			FULL-PRICE			TOTAL ADP %
	ADA ELIGIBLE	CURRENT ADP	ADP %	ADA ELIGIBLE	CURRENT ADP	ADP %	ADA ELIGIBLE	CURRENT ADP	ADP %	
High	175	69.2	39.5%	29	6.4	22.1%	187	17.0	9.1%	23.7%
Junior	203	184.4	90.8%	34	29.8	87.7%	91	63.0	69.2%	84.5%
Elementary	291	248.4	85.4%	36	25.4	70.6%	108	57.5	53.2%	76.2%
Primary	197	115.7	58.7%	28	21.6	77.1%	66	37.8	57.3%	60.2%
District Total	866	617.7	71.3%	127	83.2	65.5%	452	175.3	38.8%	60.6%

NOTE: Percentages have been rounded to one decimal place.

SOURCE: Luling ISD individual school monthly record of meals served, November 2012.

compared to the Average Daily Attendance (ADA) for students approved for free, reduced-price, and full-price meal benefits by school.

As shown in **Exhibit 8–10**, the total ADP SBP participation rate for all students is 35.1 percent, with a high of 57.6 percent at Shanklin Elementary School and a low of 11.6 percent at Luling High School. The total ADP NSLP participation rate for all students is 60.6 percent, with a high of 84.5 percent at Luling Junior High School and a low of 23.7 percent at Luling High School.

The high school campus is open during the lunch period. Students may leave the campus for 45 minutes to go home, patronize local restaurants, or buy food from the grocery store and return to campus to heat the food in the microwave provided in the high school dining room. This policy contributes significantly to the school's low participation in the NSLP, 23.7 percent ADP, as shown in **Exhibit 8–10**. The school's participation in the SBP is also low, 11.6 percent ADP, as shown in **Exhibit 8–10**. The open campus policy serves as strong competition for the NSLP. Low participation in the SBP may be, in part, a result of the cafeteria being in a location separate from the school.

Overall, although the 35.1 percent of eligible students eating breakfast and the 60.6 percent of the eligible students eating lunch are close to the state averages, the district has not maximized its opportunities to expand participation. Most importantly, a significant number of students are not receiving the nutritional benefits made available through the SBP and the NSLP. According to the Food Research and Action Center (FRAC), studies conclude that students who eat school breakfast may increase their mathematics and reading scores as well as improve their speed and memory in cognitive tests. Research also shows that children who eat breakfast at school, which is closer to class and test-taking time, may perform better on standardized tests than those who skip breakfast or eat breakfast at home. A growing body of evidence also suggests that children who eat school breakfast are less likely to be overweight and have improved nutrition. These children eat more fruits, drink more milk, and consume a wider variety of foods than those who do not eat breakfast or have breakfast at home. Many schools that provide breakfast in the classroom report decreases in discipline and psychological problems, visits to school nurses and tardiness, increases in student attentiveness and attendance, and generally improved learning environments.

Not only does low student participation in the CNPs reduce nutritional benefits delivered to the students, but it also reduces accessible federal and state revenue to support the operation of the district's Food Services Department. However, the district yields no profit when participation increases because the FSMC per-meal fee is higher than the revenue generated by a full-price meal. For example, breakfast revenue for a full-price meal is \$1.54 and the FSMC fee is \$1.8096; lunch revenue for a full-price meal is \$2.35 (not including USDA Foods value) and the FSMC fee is \$2.7482. Although the district's current meal pricing and FSMC contracted per-meal fees do not result in profit when the ADP in the SBP and NSLP increases, there are potential nutritional benefits to students.

Luling ISD should develop strategies for increasing student participation in the SBP and NSLP. The district should investigate methods for making the single sale of each type of meal profitable to the district so that increases in participation will fiscally benefit the programs, as well as benefiting the nutritional health of the students. Some strategies that might increase SBP participation include:

- adjusting bus schedules to ensure students arrive at school with time to eat breakfast before their classes start. It was noted in the Luling Primary School that students were coming to school late and still trying to participate in the SBP. Several children got their breakfast and before they had a chance to consume any part of it, they were told to throw it away and go to class. The school might do some outreach with parents or consider a delayed breakfast period once the children are in their classrooms;
- expanding the practice of providing breakfast-in-the-classroom. Shanklin Elementary School students have the highest percentage of participation in the district, outperforming the next highest, the primary school, by 20 percent. It is important to note that while breakfast-in-the-classroom definitely increases participation, it also restricts food variety and increases food waste and labor required to prepare breakfast;
- delaying breakfast service until after the beginning of the school day but prior to 10:00 AM, if accommodations can be made within the limitations that influence instructional time. Delayed serving times is a method that is food- and labor-cost efficient and allows for increased variety over breakfast-in-the-classroom. Not only is this an opportunity to increase

participation in the SBP but also is an opportunity to sell a la carte foods that may be popular with students (particularly at the junior high and high school levels), as long as the foods conform to the Texas Public School Nutrition Policy;

- revising menus. The food service manager at the secondary cafeteria indicated that participation has declined since last year because the service of some of the students' favorite foods has been reduced or eliminated from the menu. She specifically referred to the breakfast taco bar, which was extremely popular. Consult with the FSMC to determine if some of the favorite foods from last year might be brought back in an effort to increase the number of students served. According to one of the managers, some condiments such as jelly and maple syrup have disappeared from the menu, and students have remarked that they miss them; and
- increasing outreach to schools and the public, distributing information for parents and students via printed material, websites, school-based menus and marquees.

Strategies that might increase NSLP participation include:

- monitoring tray waste and making the appropriate menu adjustments as required;
- drawing on the merchandising skills and knowledge of the FSMC to market the programs;
- calling on support from the students and community to decorate the cafeterias in a manner designed to please the particular school's age group;
- ensuring that all items on the menu are available to all students. The kitchen employees are aware of over production, to the point that students and adults complain about the cafeteria consistently running out of particular menu items. If the same group of students, generally the last children served, continuously do not have the same selection as the published menu, students are more likely to bring their lunches from home rather than be disappointed. On the day of the review of Shanklin Elementary School, the kitchen ran out of burritos with two additional classes to feed; and
- installing television sets in the high school cafeteria and planning events during the breakfast and lunch periods that will draw students to the cafeteria.

The district could also increase participation rates for lunch at the high school by closing the campus. This would allow for a reduction of the lunch period to 30 minutes, leaving 15 minutes that could be used in the morning to provide the SBP using a delayed breakfast or a mid-morning nutrition break:

- Delayed Breakfast: students are allowed time after their first period class for breakfast. Service may be in the cafeteria from the serving line or from "grab and go" stations, and students may eat in class, in the cafeteria, or elsewhere.
- Grab and Go Breakfast: individually packaged menu items distributed from the cafeteria line, carts, and kiosks at other locations on the school campus. Students may eat outside the cafeteria, in class, or in common areas such as bus drop-off.

The Grab and Go method of service may also be used at the high school for lunch. While the campus remains open, the district might consider providing individually packaged menu items that students may pick up and eat outside the cafeteria in common areas.

If the district does not plan to increase student participation and make each meal profitable it may continue to not maximize the CNP nutritional benefits. Best practices dictate that the district remove barriers to student participation in the NSLP and SBP so that students receive the nutritional benefits of the CNP. Accessibility to the programs is one key to increasing participation.

Exhibit 8–11 shows the amount of lost opportunity for increased revenue based on current versus projected revenue for breakfast and lunch at Luling High School when ADP for breakfast is increased to 50 percent and ADP for lunch is increased to 60 percent.

Increased participation results in increased costs, taking the form of FSMC fees. **Exhibit 8–12** shows current versus projected FSMC fees for breakfast and lunch at Luling High School when ADP for breakfast is increased to 50 percent and ADP for lunch is increased to 60 percent.

As **Exhibit 8–11** shows, there is an opportunity to increase Food Services Department funding at the high school by \$611.34 daily if breakfast participation were increased to 50 percent of average daily attendance (ADA) and lunch participation were increased to 60 percent ADA. (\$611.34 daily increase in revenue X 180 days in a school year = \$110,041.20 projected annual increase in revenue at the

EXHIBIT 8-11**LULING HIGH SCHOOL ACTUAL VERSUS PROJECTED REVENUE FOR BREAKFAST AND LUNCH WHEN ADP INCREASES TO 50 PERCENT FOR BREAKFAST AND 60 PERCENT FOR LUNCH
NOVEMBER 2012**

BREAKFAST		CURRENT ADP AT 11.6% OF ENROLLMENT			PROJECTED 50% ADP		
CATEGORY	APPROVED	ADP	REVENUE PER MEAL	TOTAL REVENUE	50% ADP	TOTAL REVENUE	INCREASED DAILY REVENUE
Free	175	40	\$1.85	\$74.00	88	\$162.80	\$88.80
Reduced-Price	29	2	\$1.85	\$3.70	15	\$27.75	\$24.05
Full-Price	187	4	\$1.52	\$6.08	93	\$141.36	\$135.28
Total	391	46		\$83.78	196	\$333.91	\$248.13
LUNCH		CURRENT ADP AT 25% OF ENROLLMENT			PROJECTED 60% ADP		
CATEGORY	APPROVED	ADP	REVENUE PER MEAL	TOTAL REVENUE	60% ADP	TOTAL REVENUE	INCREASED DAILY REVENUE
Free	175	69	\$2.94	\$202.86	105	\$308.70	\$105.84
Reduced-Price	29	6	\$2.94	\$17.64	17	\$49.98	\$32.34
Full-Price	187	17	\$2.35	\$39.95	112	\$263.20	\$223.25
Total	391	92		\$260.45	234	\$621.88	\$361.43
Total Breakfast and Lunch Increased Revenue							\$609.56

SOURCE: Monthly Record of Meals Served, Luling High School, November 2012.

EXHIBIT 8-12**LULING HIGH SCHOOL ACTUAL VERSUS PROJECTED FSMC PER-MEAL FEES WITH INCREASED ADP
NOVEMBER 2012**

MEAL	PER MEAL FSMC FEE	CURRENT		PROJECTED		INCREASE IN FSMC FEES
		ADP	FSMC FEE	ADP	FSMC FEE	
Breakfasts	\$1.8096	46	\$83.24	196	\$354.68	\$271.44
Lunches	\$2.7482	92	\$252.83	235	\$645.83	\$393.00
FSMC Fees			\$336.07		\$1,000.51	\$664.44
Increased Revenue						\$609.56
Profit or Loss						(\$54.88)

SOURCE: Monthly Record of Meals Served, Luling High School, November 2012 and FSMC Contract 2010-11; Amendments No. 1 (April 25, 2011), and No. 2 (April 4, 2011).

high school.) As demonstrated in **Exhibit 8-12**, the projected FSMC fees would increase by \$119,597 (\$664.43 daily X 180 days in the school year) resulting in a \$9,556.20 annual loss to the Food Services Department.

No fiscal impact is assumed for this recommendation until the district reviews the program structure to ensure participation is maximized at no additional cost.

STUDENT AND ADULT MEAL PRICING (REC. 45)

The full-price student and adult breakfast and lunch prices do not cover the cost of producing and serving the meals. The prices of student and adult-paid meals are less than the federal reimbursement for a free meal. **Exhibit 8-13** shows

current Luling ISD pricing as compared to the revenue generated by a free breakfast or lunch.

Under section 201 of the Healthy, Hunger-Free Kids Act of 2010, an additional reimbursement of 6 cents per lunch is available for districts certified to be in compliance with the new school meal pattern.

On 1/2/13, the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) issued Memo SP 19 - 2013: SUBJECT: Paid Lunch Equity: School Year 2013-2014 Calculations. This memo states the following:

The interim rule entitled, "National School Lunch Program: School Food Service Account Revenue

**EXHIBIT 8–13
LULING ISD STUDENT AND ADULT MEAL PRICES COMPARED TO TOTAL REVENUE GENERATED BY A FREE BREAKFAST AND LUNCH STUDENT MEAL**

CATEGORY OF MEAL BENEFITS	PRICE PAID	REIMBURSEMENT	SEVERE NEED AND 60% OR MORE	\$0.06 CERTIFIED	USDA FOODS VALUE	TOTAL PER MEAL REVENUE	DIFFERENCE BETWEEN FREE REIMBURSEMENT AND STUDENT AND ADULT PAID
Breakfast							
Free	\$0.00	\$1.55	\$0.30	N/A	N/A	\$1.85	\$0.00
Reduced-Price	\$0.30	\$1.25	\$0.30	N/A	N/A	\$1.85	\$0.00
Full-Price Elementary	\$1.25	\$0.27	\$0.00	N/A	N/A	\$1.52	(\$0.33)
Full-Price Secondary	\$1.25	\$0.27	\$0.00	N/A	N/A	\$1.52	(\$0.33)
Adult	\$1.25	\$0.00	\$0.00	N/A	N/A	\$1.25	(\$0.60)
Lunch							
Free	\$0.00	\$2.86	\$0.02	\$0.06	\$0.2275	\$3.17	\$0.00
Reduced-Price	\$0.40	\$2.46	\$0.02	\$0.06	\$0.2275	\$3.17	\$0.00
Full-Price Elementary	\$1.80	\$0.27	\$0.02	\$0.06	\$0.2275	\$2.38	(\$0.79)
Full-Price Secondary	\$2.00	\$0.27	\$0.02	\$0.06	\$0.2275	\$2.58	(\$0.59)
Adult	\$2.85	\$0.00	\$0.00	\$0.00	N/A	\$2.85	(\$0.32)

NOTES:

- (1) The maximum allowable charge for a reduced-price breakfast is \$0.30.
- (2) The maximum allowable charge for a reduced-price lunch is \$0.40.
- (3) Schools where at least 60 percent of the lunches served during the second preceding school year were free or reduced-price qualify for additional "severe need" school breakfast reimbursement.

SOURCE: Current district meal prices and USDA reimbursement rates 2012–13 and USDA Foods rate 2012–13.

Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" requires districts participating in the National School Lunch Program (NSLP) to ensure sufficient funds are provided to the nonprofit school food service account for meals served to students not eligible for free or reduced-price meals. There are two ways to meet this requirement: either through the prices charged for "paid" meals or through other non-Federal sources provided to the nonprofit school food service account.

Districts must annually review their paid lunch revenue to assure compliance with the paid lunch equity requirement. When the average paid lunch price is less than the difference between the free and paid federal reimbursement rates, the district must determine how they will meet the requirement. The district can increase their average paid lunch price or provide funds from non-federal sources.

Those districts that choose to increase the average paid lunch price must increase the average paid lunch price by a factor of 2 percent plus the annual inflation rate. The inflation factor is based on the percentage change in the Consumer Price Index for All Urban Consumers (CPI). The reimbursement

rates are adjusted using the CPI for the 12-month period of May of the previous year to May of the current year. Due to the timing of calculating and issuing the reimbursement rates, the paid lunch equity calculations are based on the inflation factor used for the previous school year's reimbursement rates. Therefore, the inflation factors used by districts to calculate their paid lunch equity requirements will change from year to year. For school year 2013–14, districts must use school year 2012–13 federal reimbursement rates and the related inflation factor when calculating paid lunch requirements. The federal reimbursement rates and inflation factor were issued in a July 24, 2012, Federal Register Notice (77 FR 142). The notice announced an increase in the reimbursement rate for school year 2012–13 and provided the inflation rate of 2.93 percent for the increase in rates between school years 2011–12 and 2012–13.

Therefore, for school year 2013–14, districts that, on average, charged less than \$2.59 for paid lunches in school year 2012–13 are required to adjust their average price or provide additional non-federal funds to the non-profit school food service account. The amount of the per-meal increase will be

calculated using 2 percent plus 2.93 percent (school year 2012–13 inflation rate) or 4.93 percent.

Luling ISD supports its Food Services Department from the general fund; therefore, the district has a clear audit trail to demonstrate that the difference between the required price increase and the current meal pricing is accommodated by the local subsidy to the programs. However, should the district attempt to make the Food Services Department totally self-supporting, **Exhibit 8–14** demonstrates the impact to student and adult prices.

Since the purpose of federal assistance is to safeguard the health and well-being of the nation's children, meals served to adults are neither eligible under the authorizing legislation and regulations for federal cash reimbursement, nor do they earn USDA Foods for the district. Districts must ensure, to the extent practicable, that the federal reimbursements, children's payments, and other non-designated non-profit CNP revenues do not subsidize program meals served to adults.

Breakfasts and lunches served to teachers, administrators, custodians, and other adults must be priced so that the adult payment in combination with any other revenues (i.e., school subsidizing as a fringe benefit) is sufficient to cover the overall cost of the lunch, including the value of any USDA Foods, entitlement, or bonus, used to prepare the meal. If cost information is not available, the district must ensure the minimum adult payment includes the cost of the students' full-price meal, the current value of federal reimbursement, and the current value of USDA Foods for a meal. An audit trail must document these other revenues.

In no case should the funds available to pay the cost of adult meals be less than the actual cost of providing the meals. **Exhibit 8–15** shows the school year 2012–13 student and adult meal prices for school districts in the surrounding area, which included two of the peer districts identified as comparison districts for this review. Of the twelve districts

surveyed, Luling ISD is one of only two that does not provide a universal breakfast for all students. Two districts provide free lunches to all students, and two districts have lower student lunch prices than Luling ISD.

Of the 12 school districts surveyed:

- nine have a higher student lunch prices, three are lower;
- five have a higher adult lunch price, six are lower;
- two have a higher student breakfast price, six are lower, including four districts that have a universally free breakfast; and
- nine have a higher adult breakfast price, and two are lower.

The highest student lunch price of the districts surveyed was \$2.50 for high school at Yoakum ISD; the highest adult lunch price is \$3.00 in five districts. Marion ISD had the highest breakfast prices of \$1.50 for students and \$1.80 for adult staff.

Luling ISD should raise adult and student full-price breakfast and lunch prices to ensure that the revenue generated is sufficient to cover the cost of preparing and serving the meals. Best practices dictate that meal prices are reviewed each year after USDA releases the reimbursement rates. Small price increases made annually are less difficult to present to parents than large increases introduced less often.

When determining the adult meal prices the district should consider the value of the federal reimbursement for a free meal plus the value of the USDA foods. Applying this methodology, for school year 2012–13 the adult breakfast would be priced at \$1.85 and the adult lunch at \$3.17 (see **Exhibit 8–13**). These values will change each new school year and the same formula should be used to re-evaluate pricing at that time. The adult meal prices were increased to the value of the federal reimbursement for a free meal plus

EXHIBIT 8–14
MINIMUM STUDENT PRICE INCREASES
SCHOOL YEAR 2013–14

CATEGORY OF MEAL BENEFITS	CURRENT PRICE	REQUIRED PERCENTAGE OF INCREASE 2013–14	MINIMUM PRICE INCREASE	MINIMUM PRICE FOR SCHOOL YEAR 2013–14
Student Breakfast	\$1.25	4.93%	\$0.06	\$1.31
Elementary Lunch	\$1.80	4.93%	\$0.09	\$1.89
Secondary Lunch	\$2.00	4.93%	\$0.10	\$2.10

SOURCE: USDA Food and Nutrition Service Memo SP 19 - 2013: SUBJECT: Paid Lunch Equity: School Year 2013–14 Calculations, Retrieved January 2, 2013.

**EXHIBIT 8–15
COMPARISON OF SCHOOL MEAL PRICES IN LULING ISD AND SURROUNDING DISTRICTS
SCHOOL YEAR 2012–13**

SCHOOL DISTRICT	LUNCH			BREAKFAST		
	REDUCED-PRICE	FULL-PRICE ELEMENTARY/ JR./SR. HIGH	ADULT STAFF/ VISITOR PRICE	REDUCED-PRICE	FULL-PRICE ELEMENTARY/ JR./SR. HIGH	ADULT STAFF/ VISITOR PRICE
Luling ISD	\$0.40	\$1.80/\$2.00	\$2.85/\$3.15	\$0.30	\$1.25	\$1.25
Comfort ISD	\$0.40	\$1.95/\$2.35	N/A	\$0.30	\$1.25	N/A
Cuero ISD	\$0.40	\$2.15	\$2.50	\$0.30	\$1.00	\$1.40
Gonzales ISD	\$0.40	\$1.85/\$2.10	\$3.00/\$3.05	Free	Free	\$1.05/\$1.35
Hays CISD	\$0.40	\$2.10/\$2.30	\$2.65/\$3.00	\$0.30	\$1.25/\$1.35	\$1.65/\$3.00
Lockhart ISD	\$0.40	\$1.75/\$2.00	\$2.85/\$3.00	\$0.30	Free/\$1.20	\$1.50
Marion ISD*	\$0.40	\$1.85/\$2.15/\$2.45	\$3.00/\$4.25	\$0.30	\$1.50	\$1.80/\$2.10
McGregor ISD*	\$0.40	\$2.00/\$2.25	\$3.00	\$0.30	\$1.25	\$1.50
Moulton ISD	\$0.40	\$1.75/\$2.00	\$2.75/\$3.25	\$0.30	\$1.00	\$1.50
Navarro ISD	\$0.40	\$2.00/\$2.25	\$3.00	\$0.30	\$1.25	\$1.50
San Marcos ISD	\$0.40	\$1.85/\$2.10	\$2.60/\$2.85	Free	Free	\$1.35/\$1.35
Shiner ISD	\$0.40	:\$1.60/\$1.85	\$2.65	\$0.30	\$1.25	\$1.50
Yoakum ISD	\$0.40	\$2.00/\$2.50	\$3.00/\$3.25	Free	Free	\$1.00

SOURCE: Created by review team using individual school websites and telephone communication with the represented districts on January 4, 2013.

the value of the USDA Foods for school year 2012–13, making the adult breakfast price \$1.85 and the adult lunch price \$3.17. These prices should be re-evaluated once the USDA reimbursement rates are released for school year 2013–14.

Exhibit 8–16 shows the total daily increase in revenue as a result of increasing full-price student and adult meals.

The fiscal impact assumes an annual increase in revenue due to increasing student and adult full-price meal pricing as

shown in **Exhibit 8–16** which is \$5,590.80 (\$31.06 daily increase x 180 days in the school year), rounded to \$5,591. Since the time of the review, the district has raised prices on an adult full price lunch to \$3.10 based on minimums derived from a price equity calculator. Luling ISD plans on continuing with this price increase into school year 2013–14.

**EXHIBIT 8–16
DAILY INCREASED REVENUE AS A RESULT OF INCREASING STUDENT AND ADULT MEAL PRICES,
SCHOOL YEAR 2013–14**

SCHOOL	BREAKFAST			LUNCH			TOTAL INCREASED DAILY REVENUE
	DAILY FULL PRICE ADP	DIFFERENCE IN PER MEAL REVENUE	DAILY INCREASE IN REVENUE	DAILY FULL PRICE ADP	DIFFERENCE IN PER-MEAL REVENUE	DAILY INCREASE IN REVENUE	
Luling High School	3.6	\$0.06	\$0.22	17.0	\$0.10	\$1.70	
Luling Junior High School	9.8	\$0.06	\$0.59	63.0	\$0.10	\$6.30	
Shanklin Elementary	31.6	\$0.06	\$1.90	57.5	\$0.09	\$5.18	
Primary School	11.1	\$0.06	\$0.67	37.8	\$0.09	\$3.40	
Adult at all schools	7.2	\$0.60	\$4.32	21.2	\$0.32	\$6.78	
Potential Daily Increase			\$7.70			\$23.36	\$31.06

SOURCE: Luling ISD Monthly Record of Meals Claimed, November 2012.

MENUS MEETING MEAL PATTERN REQUIREMENTS (REC. 46)

The breakfast and lunch menus on the day of the review of Shanklin Elementary School were not in compliance with the NSLP and SBP meal pattern requirements.

The menu for breakfast at the Shanklin Elementary school on 1/16/13 was milk, ready-to-eat cereal, 1 slice cinnamon toast, and a 1.5 oz box of raisins providing 1/2-c fruit. Because the requirement for breakfast is 1/2-c vegetable or fruit, this menu offered an insufficient serving size of fruit. Therefore, the menu did not qualify for reimbursement. The school served and claimed 230 breakfasts that day. **Exhibit 8–17** shows the value of the over claim for 230 breakfasts offering an insufficient portion of fruit.

For lunch, there were four entree choices: a burrito (tortilla and bean/cheese), a cheese burger (bun and beef/cheese), a ham and cheese sandwich (ham, cheese, and two slices of bread), and a stuffed baked potato (cheese sauce/chicken/ no grain/bread component). There was no grains/breads component for those selecting the baked potato. The school served 114 baked potato lunches, but these meals were missing a component, therefore, they are not reimbursable.

The ham and cheese sandwich did not provide 2 oz of Meat/ Meat Alternate (M/MA) as indicated on the recipe. The school served 91 of these sandwiches offering insufficient M/MA; therefore, these meals were also not reimbursable. Since

the time of the review, Luling ISD has replaced the ham sandwich recipe.

Exhibit 8–18 shows the value of the over claim for 114 lunches missing the grain/bread component and 91 lunches offering insufficient M/MA that were served and claimed at Shanklin Elementary School on 1/16/13 (114 + 91 = 205).

A burrito with dry beans as an M/MA was served with dry beans as a vegetable component. Dry beans and peas may serve as an M/MA or as a vegetable component, but they cannot be served as both in the same meal. There were other fruit and vegetable offerings, and none of the observed meals as selected contained both servings of beans. Therefore, no over claim would be established for the purposes of a Coordinated Review Effort (CRE) review. However, it is prudent not to serve dry beans or peas as a vegetable component when one of the entrees also credits dry beans or peas.

If Luling ISD does not review the menus served to ensure they meet the requirements of the reimbursable meal patterns, reimbursement funds may be at risk. The CRE reviewer determines that lunches claimed for reimbursement within the district contain food items/components as required by program regulations. Specific areas that are examined for Performance Standard 2 (Meal Components and Quantities) are as follows: day of review menu and

EXHIBIT 8–17**VALUE OF OVER CLAIM FOR BREAKFASTS OFFERING INSUFFICIENT FRUIT AT SHANKLIN ELEMENTARY SCHOOL
JANUARY 16, 2013**

MEAL TYPE	NUMBER CLAIMED	REIMBURSEMENT AND USDA FOODS	TOTAL CLAIM FOR NON REIMBURSABLE MEALS
Free	173	\$1.85	\$320.05
Reduced-Price	18	\$1.55	\$27.90
Full Price	40	\$0.27	\$10.80
Daily Totals	231		\$358.75

SOURCE: Daily Record of Meals Claimed January 16, 2013, and USDA SBP reimbursement rates.

EXHIBIT 8–18**VALUE OF OVER CLAIM FOR LUNCHES SERVED AT SHANKLIN ELEMENTARY SCHOOL
JANUARY 16, 2013**

MEAL TYPE	NUMBER CLAIMED	REIMBURSEMENT AND USDA FOODS	TOTAL CLAIM FOR NON REIMBURSABLE MEALS
Free	154	\$3.17	\$488.18
Reduced-Price	16	\$3.17	\$50.72
Full Price	36	\$2.38	\$85.68
Daily Totals	206		\$624.58

SOURCE: Daily Record of Meals Claimed January 16, 2013, and USDA SBP reimbursement rates.

review month menus, correct portion sizes for age/grade groups on the food production records, Child Nutrition (CN) labels, menu components, product formulation statements, and fact sheets.

Over claims must be assessed for meals served on the day of the CRE review that do not meet the minimum meal pattern requirements. Additional over claims may be assessed if a school's production records for previously served menus indicate meals were missing components or offered insufficient serving sizes. An over claim is the portion of a district's claim for reimbursement that exceeds the federal financial assistance that is properly payable.

There is a Performance Standard 2 (Meal Components and Quantities) violation, if 10 percent or more of the total number of lunches observed in a school are missing one or more of the required food items/components. This violation may trigger a Follow-Up Review.

Luling ISD should monitor FSMC staff to ensure that the breakfast and lunch menus are planned to meet all USDA meal pattern requirements. **Exhibits 8–17 and 8–18** show a \$358.75 over claim for 230 non-reimbursable breakfasts and a \$624.58 over claim for 205 non-reimbursable lunches in one school on one day. If this same error were repeated each time the menu cycle was served, only at Shanklin Elementary School, the annual over claim would be a \$5,899.98 (\$983.33 per day over claim x 6 repeated menu cycles annually).

The district's Food Services Department operates on a five-week menu cycle. A district employee should review the menu cycle at least once per year and when the cycle changes to determine that all meal pattern requirements are being met. This is particularly important this year in that the meal patterns have changed. The district has the contractual right to request a refund for any meals not found to be meeting the minimum requirements of the meal patterns.

No fiscal impact is assumed for this recommendation.

DOCUMENTING THE CONTRIBUTIONS OF FOOD ITEMS TO THE REIMBURSABLE MEAL (REC. 47)

Luling ISD does not ensure that food services staff are consistently following standardized recipes, maintaining complete and accurate food production records, and retaining a complete file of Child Nutrition labels and product analysis sheets as documentation of the meals served and claimed for reimbursement.

The kitchen documents necessary to support that the meals served and claimed met meal pattern requirements and were reimbursable include:

- standardized recipes;
- food production records; and
- CN labels or signed, dated product analysis sheets containing weights of contributing ingredients and a certification statement regarding the contribution of the creditable Meat/Meat Alternate (M/MA) for purchased-prepared menu items.

A standardized recipe is one that has been carefully adapted to a particular food service operation and tested to ensure that it will produce a consistent product each time it is used. Standardized recipes include weights and volume of ingredients, preparation instructions including Hazard Analysis Critical Control Points (HACCP) designed to keep the food wholesome, cooking temperatures and times, portion size, and recipe yield. Most standardized recipes written specifically for CNPs provide component crediting information for one portion of the product based on the yield tables of the *Food Buying Guide for Child Nutrition Programs* (FBG).

Although the food service management company's (FSMC) standardized recipes are available to each campus kitchen, there does not appear to be any prescribed method for maintaining the recipe files at the school level. Recipes are not used by all production staff for every preparation. The recipes available are generally written to produce 24 servings. The recipe then needs to be adjusted by individual school employees manually, opening the opportunity for calculation errors. Recipes for some preparations are missing from kitchen files.

Luling ISD recipes such as the one used for burritos generally call for pounds of drained canned vegetables. Canned vegetables are credited by volume (#10 cans) according to the FBG. If they were listed in #10 cans in the recipe, the tasks of determining how many cans to open and recording the information on the food production record could be done more efficiently and accurately. Staff members also remarked that their jobs would be easier if all necessary information were on one recipe instead of needing two for items such as the burrito.

The district recipes are not always specific to the Luling ISD kitchens or tailored to the students served. For example:

- One employee was making ham and cheese sandwiches. The recipe called for three slices (0.4 oz) of cheese, and she was using two slices (0.5 oz), which was correct because the component contribution of 1 oz was met and not exceeded. The recipe did not describe the sliced cheese used in that kitchen.
- A breakfast sandwich including egg was on the menu. The recipe called for an egg patty, whole frozen eggs were not addressed on the recipe but were used. When asked how the portion size was determined, the employee replied that they just cut the egg to fit the biscuit. The biscuit used was not the Southern 2.2 oz but instead the honey wheat weighing 2.25 oz. This menu item was dry. An employee stated that the sandwich had been served with jelly previously, but the district was no longer buying jelly. Most students discarded the whole sandwich.
- At one school, no one was eating the yellow squash. One of the teachers commented that it was far too spicy for the children. The reviewer and servers tasted the squash and found that it was strongly flavored with pepper. The cook insisted that she followed the recipe. The district should evaluate this recipe for suitability.

CNP recipes base crediting to the meal patterns on the FBG yield tables. It is important to understand that the FBG is only a guide for purchasing and planning food production. It remains the responsibility of the servers and manager to ensure that products are made strictly according to the recipe and that portions delivered to students weigh or measure the amount indicated in the recipe and on the food production record. Although the FBG may indicate that a particular apple will provide a 1/2 c portion for example, it is still necessary for the server to observe the portions and pull any that look too small.

Wedge apples were served in two schools. The first school simply wedged the apples but did not core them according to recipe directions. The second cored and wedged them but did not ensure that four wedges provided 1/2 c fruit. At least one of the servings displayed on the serving line was four quarters of an apple but did not measure 1/2 c. If the planned portion size is 1/2 c, each serving must measure at least 1/2 c. This problem is most likely to occur with products that cannot be measured with a portioning utensil, such as fruit wedges, French fried potatoes, and whole sweet potato pieces. However, looking at each tray of pre-portioned foods,

evaluating that each portion is sufficient, and pulling any that look short, is an important step in ensuring that the requirements of the meal pattern are delivered to each child.

Other recipe-related concerns include: Recipe # 826265 Ham and Cheese Sandwich does not provide 2 oz M/MA as stated. Ingredient listing indicates ham should be sliced in 1/2 oz slices, directions indicate 3 slices used (1.5 oz water added ham). According to the FBG water-added ham credits as 1.22 oz = 1 oz M/MA, the recipe provides 1.22 oz M/MA from the ham. The ingredient listing further indicates 0.4 oz slice of cheese. Recipe directions indicate 1 slice cheese (1/2 oz w). This sandwich offers insufficient M/MA in meeting the requirements of the NSLP meal patterns. It is unknown how many ham and cheese sandwiches are served in the district annually. Those served when prepared using this recipe, did not meet requirements. This sandwich was served at Shanklin Elementary on the day of the visit. See **Exhibit 8–18** for over claim information. Since the time of the review, Luling ISD has updated its ham sandwich recipe.

In addition to standardized recipes, complete and accurate food production records must be maintained for all meals claimed for reimbursement. These records demonstrate how the food items offered contribute to the required components of the meal patterns for each age/grade group. Food production records and standardized recipes are both based on the FBG. Therefore, in a well-developed production system records and recipes, these documents are used in tandem to plan, execute, serve, and document the meal. The Coordinated Review Effort (CRE) reviewer uses these documents to determine that meals claimed for reimbursement contain food items/components as required by program regulations.

Districts have the option of designing their own food production records or using the Texas Department of Agriculture (TDA) food production records, which can be found at www.squaremeals.org.

If the district uses its own production record, it must contain all elements included on the TDA production records, districts have the option to maintain production records on either paper copy or electronically. However, the district must be able to provide the production records to TDA upon request.

The required information on a food production record includes the following:

- name of school;

- date of service;
- menu;
- portion size by grade level, adult, and a la carte for each menu item;
- number of planned servings by adult, a la carte, and student by grade level of each menu item;
- amount prepared in purchase units (e.g., lb, #10 cans, gal, qt, cases) of contributing ingredients of each menu item;
- number of students, adult, and total served; and
- amount left over or short.

Luling ISD does not consistently list the amount of food prepared in purchase units as indicated in the FBG. The only way to determine that sufficient food was prepared is to have access to the weight or volume, whichever is appropriate, of each particular food ingredient used to credit toward a component, with the exception of food items such as bananas or beef patties where “one each” equals a serving.

During a CRE, over claims may be assessed if a school’s production records for previously served menus indicate meals were missing components, were offered in insufficient portion sizes, or if there is not enough information recorded to make the determination.

Examples of errors noted on district food production records include the following:

- “Frank” was listed on the preprinted food production record and is shown as contributing 2 M/MA and 2 G/B. No sandwich roll was listed or quantity of buns used recorded, which would be interpreted as a missing component on the CRE.
- Canned carrots were substituted for fresh baby carrots, but the change was not recorded on the list of menu items. Quantities prepared did not match the fresh carrots.
- Often the total planned portions and the amount of food prepared do not match information provided in the FBG. For example, planned carrot portions were 150 and 6 cans of carrots were prepared. According to the FBG, one can of carrots provides 18.6 1/2-c servings X 6 cans = 111 servings of heated, drained vegetable. The amount used was listed as 83 reimbursable servings + 3 a la carte servings + 64 left

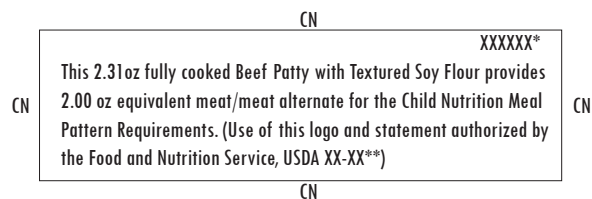
over servings = 150 servings, although only 111 were actually prepared.

- Ketchup was on the menu, but none was listed as used.

Child Nutrition (CN) labels and product analysis sheets document the contribution of purchased-prepared foods such as beef patties, pizza, and chicken nuggets. These are manufactured products that must have supporting documentation to determine their contribution in that they are not kitchen-made and the formulations of the products are unknown to the end user. A CN label statement clearly identifies the contribution of a product toward the meal pattern requirements, and it protects the district from exaggerated claims about a product. A CN label provides a USDA warranty against audit claims if the CN labeled product is used according to the manufacturer’s directions.

CN labeled products carry a distinctive label with a “CN” on each of the four sides, a six-digit number beginning with 0 in the upper right hand corner, and the wording.” See **Exhibit 8–19** for a sample CN logo.

EXHIBIT 8–19 SAMPLE OF A CHILD NUTRITION LABEL



SOURCE: Food Buying Guide for Child Nutrition Programs, Appendix C, p. C-3, retrieved January 15, 2013.

Some products do not carry a CN label, but they still may be credited using a product analysis sheet prepared, signed, and recently dated by an upper-level company official. This sheet must list the creditable M/MA products contained in the food item, including weights of each, and a certification statement as to what one portion of the product contributes to the meal pattern. Product analysis sheets are not warranted by USDA. A sample product analysis sheet may be found at: www.squaremeals.org.

Luling ISD has various forms of documentation of M/MA products used on the menus. Some are acceptable and some are not. For example, the documentation for Butterball 22655-91405 Oven Roasted Turkey Breast is simply a signed letter stating “each 2.00 oz serving of this product provides

1.00 oz equivalent meat.” Although the document is signed and dated, it does not provide the creditable M/MA ingredients with weights. The end user must be able to use the documentation and the FBG to check the crediting on the product with the yield tables. There are several other “fact sheets” in the district file that provide information but do not qualify as product analysis sheets.

Luling ISD should monitor to ensure that kitchen employees consistently use standardized recipes and record accurate and complete information on the food production records. This includes ensuring that kitchen employees are trained on the use of the FBG, the importance of recording all foods on the food production record, and how to record the amount prepared using purchase units. The district should then routinely monitor completed food production records to ensure that all required information is recorded daily. Since the time of the review, the district indicates that food services staff have received training addressing these issues.

The district also should retain a file of CN labels and product analysis sheets to document the contribution of all purchased-prepared M/MA menu items in order to demonstrate that the meals served and claimed for federal reimbursement meet the requirements of the NSLP and SBP meal patterns.

In addition, the district should request a copy of the CN label or the current signed and dated product analysis sheet for each purchased-prepared entree item on the cycle menu from the FSMC. This documentation will indicate how each product credits to the reimbursable meal.

Finally, Luling ISD should consider adding a computer and a printer in every kitchen. Currently, the food service managers do not have computers at their desks. The district uses Nutri-Kids software that includes an electronic district recipe file, food production records, and market orders. These three documents are aligned using the same information base. If each kitchen had a computer and a printer, the manager could pull up the appropriate recipes, input the numbers of planned servings, and print an adjusted recipe for each specific preparation as well as a coordinating partially completed food production record and market order. The district has used computers and printers already on hand and could consider placing them into the three kitchens.

The district can implement this recommendation with existing resources.

OFFER VERSUS SERVE (REC. 48)

Luling ISD has not fully and properly implemented the Offer versus Serve (OVS) provision in the NSLP and the SBP in all district schools at all grade levels. OVS is the regulation that allows children to be offered a full meal, but they may refuse a limited number of components that they do not intend to eat, and the meal remains reimbursable. Although Luling Primary School should be recognized for successfully implementing OVS at lunch on the day of the review, the district has not implemented OVS at the primary or elementary schools for breakfast. The decision to allow students to refuse foods they do not intend to eat is only required at the secondary level. Implementation at all grade levels encourages variety and consumption and eliminates waste

Cashiers appeared to be unsure of what a student must select for the district to claim the breakfast or lunch for reimbursement. The cashier at the high school sent students back to take a serving of fruit during breakfast, even after they had selected three other required components and did have a reimbursable breakfast without the fruit. Much of that fruit was untouched and discarded. At Shanklin Elementary School, the OVS provision is not in place for breakfast, and students must select all items for the meal to be reimbursable. However, student selections at breakfast were not monitored by teachers, and students left some of the required components in the transport cooler. At lunch, the cashier stated that the student must take an entree and a vegetable or fruit. An entree is not required for a child to have a reimbursable meal.

The district should implement OVS in all district schools at all age/grade levels for both breakfast and lunch meal service in an effort to reduce waste. The district should train all food service cashiers and other staff on the required student selections for a reimbursable breakfast and lunch. The district should also observe POS counts on each cafeteria line to ensure that students are selecting a sufficient number of components in order to claim reimbursement, and they are not required to select unnecessary components that they do not intend to eat. Since the time of the review, Luling ISD has instituted OVS at all campuses with the exception of the Primary School breakfast. Luling ISD anticipates full OVS participation by the start of school year 2013–14.

The district can implement this recommendation with existing resources.

TRAY WASTE (REC. 49)

Luling ISD does not monitor tray waste or take an active role in determining the types of products that are purchased and served. On the days of the review, there was excessive tray waste for breakfast and lunch at both the primary and elementary schools and moderate tray waste at the junior high and high schools. Food that students discard uneaten does not contribute to nutritional health and reduces the funds available to provide a greater variety of more expensive food items. For example, fresh blueberries, strawberries, raspberries, star fruit, and exotic melons, bring interest to the serving line, even when used as a garnish on another food, however, many districts find them too expensive to use.

Many districts nationwide are reporting increased tray waste. The Healthy, Hunger-Free Kids Act of 2010 directed the U.S. Department of Agriculture (USDA) to update the NSLP meal pattern and nutrition standards based on the latest Dietary Guidelines for Americans. The new meal pattern went into effect at the beginning of school year 2012–13 and is promoted as increasing the availability of fruits, vegetables, and whole grains in the school menu. New dietary specifications set specific calorie limits to ensure age-appropriate meals for grades K–5, 6–8, and 9–12. Other meal enhancements include gradual reductions in the sodium content of the meals (sodium targets must be reached by school years 2014–15, 2017–18 and 2022–23). While school lunches must meet federal meal requirements, decisions about what specific foods to serve and how they are prepared are made by districts.

These changes in meal patterns have increased tray waste and in some cases reduced participation according to the Luling High School food service manager. Participation in both breakfast and lunch has decreased since last year because of the lack of availability of some of the students' favorite foods. Some of the tray waste at the district is a result of the following USDA regulatory changes:

- students must select a vegetable or fruit in order for the meal to be reimbursable, so students may select unwanted foods that they do not intend to eat in order to have a reimbursable meal;
- more whole grain breads such as whole grain tortillas and whole grain pastas are unpopular with students;
- flavored milk (chocolate) must be fat-free (skim), but the taste of this product is less desirable to many students who drink one or 2 percent chocolate milk at home; and

- starchy vegetables such as potatoes and corn, which are popular with students, must be limited and are replaced with green and red/orange vegetables.

Periodic waste studies conducted by the district provide valuable information that can be used to guide the activities of the Food Service Management Company (FSMC). The district should monitor tray waste to identify the reasons students are discarding particular food items and work with the director of Food Service to find ways to remedy the problem foods. Districts must be diligent in replacing discarded foods with foods that have more student appeal and ensuring that the foods are prepared according to the recipe and held and served at the proper temperature. The director of Food Service and staff do an exemplary job of keeping foods at the proper temperature and displaying the foods on the line in an attractive manner.

Among the most notable food items discarded during the days of the review were the burrito with beans and rice filling, Asian chicken, the breakfast sandwich, Mexicali corn, yellow squash, and whole fruit, both apples and oranges. On the menus including the above items, other entree, vegetables, and fruit choices were available.

The director of Food Service gave approximate food costs for the following components:

- milk \$0.25 per half pint;
- fresh fruits \$0.20;
- canned fruits \$0.25;
- juice \$0.10;
- fresh vegetables \$0.20;
- canned vegetables \$0.27;
- bread serving \$.12 to \$.13; and
- entree \$0.50 (most entrees include the grain/bread component as well as the Meat/Meat/Alternate).

During the review, significantly more than one serving of food was discarded by the majority of primary and elementary students, with some students not eating anything on the tray but a few bites. This behavior was demonstrated on the day burritos and Mexicali corn were served for lunch, and when breakfast sandwiches were served for breakfast. A conservative estimate is that 50 percent of the selected fresh fruit is thrown away daily.

Tray waste contributes to program costs in the form of higher than necessary food costs. Those food costs are being absorbed by the FSMC and are reimbursed by the district through the payment of FSMC fees. If there was an opportunity to significantly, and consistently, reduce the FSMC's food costs simply by avoiding excess food being discarded from student trays, perhaps the FSMC could lower the per-meal fees.

Factors that contribute to tray waste include, but are not limited to, the following:

- federal regulations requiring the inclusion of foods that may be unfamiliar to students, in portion sizes that may be overwhelming to young students, and the stipulation that at least one serving of vegetable or fruit must be selected with each reimbursable lunch;
- menu items that are unpopular with students, which Food Service Department staff identified as egg salad; wheat quesadillas; burritos with rice and corn; Asian chicken; whole wheat pasta and tortillas; biscuit breakfast sandwich with no jelly; French toast, pancakes, and waffles with no maple syrup; cooked broccoli, carrots, squash, Mexicali corn (students really like and will eat plain corn), and sweet potatoes; and cinnamon rounds (a cookie-like product served at breakfast);
- lack of variety within the daily menu:
 - The entree choices for lunch on January 15, 2013 were: Asian chicken, chicken salad, chicken patty on bun, chicken nuggets, cheese burger, or pizza. Chicken was offered in four of the six choices. The other two choices featured cheese.
 - During the review week, the fruit choices at breakfast included orange and apple juice daily, fresh banana-once, fresh apple-twice, and fresh orange-twice.
 - During the review week, the fruit choices at lunch included fresh apple-once, rosy applesauce-once, warm cinnamon apples-once, apple juice-twice, fresh orange-once, orange juice-twice, grape juice-once, and a fresh banana-once.
- the form that the foods takes:
 - whole apples, wedged apples, and wedged cored apples were all served in Luling cafeterias during the week of the review. Whole apples and non-

cored wedges were discarded far more often than the wedged cored apples.

- Whole oranges were discarded more often than wedged oranges.
- Students and adult lunch room supervisors both suggested that they would appreciate more canned fruit choices on the menu.

Luling ISD should conduct plate waste studies and consult with Food Services Department staff to determine the types of foods that should be served, and develop strategies for reducing the amount of food students are discarding.

Activities that may support reduced tray waste include but are not limited to the following:

- adding variety to the menus, temporarily removing unpopular menu items, rotating menu items in and out to alleviate boredom with the choices, researching popular menu items in other school districts, attending food shows with students to get new ideas for menu offerings; and encouraging the FSMC to include some new menu items;
- providing foods in the most acceptable form. For example, wedging an orange eliminates the need for the student to peel and eat it within a short lunch period;
- implementing Offer versus Serve (OVS) in all schools at all grade levels for breakfast and lunch and encouraging students to select a reimbursable meal of components they intend to eat;
- training food service staff to build knowledge of what is required under OVS so that students are not required to take unnecessary foods; and
- encouraging teachers to address the school cafeteria choices as healthy options whenever the curriculum allows.

According to the director of Food Service, 7,800 meals/meal equivalents were served during the review week (January 14 to 18, 2013). The food cost for the week was \$8,200 or \$1.05 per meal/meal equivalent food cost. She estimated that the food cost on a reimbursable plate is approximately \$1.00. That is not the total food cost, in that USDA Foods are used to supplement the purchased food in the preparation of reimbursable meals. Although this is not a precise percentage, it was agreed upon by the FSMC director of Food Service

and the reviewer that an approximate value of the tray waste (foods discarded from their trays by students across the district) might be 25 percent. This estimate considers the higher levels in the elementary schools and the lower levels of discard at the junior and high schools.

The fiscal impact assumes the value of the estimated 25 percent tray waste is \$73,800 annually (25 percent X \$8,200 food cost per week = \$2,050 value of discarded foods per week ÷ 5 days = \$410 value of food waste per day X 180 school days = \$73,800 per year).

PURCHASING (REC. 50)

Luling ISD does not independently research the prices paid for food, including rebates and credits. The district purchases its food through a food cooperative run by the FSMC. However, the district does not compare food costs from other districts in the surrounding area or the Regional Education Service Center XX (Region 20) Texas 20 Food Purchasing Cooperative. Although the district is not billed directly for food purchased by the FSMC, food costs are a major Food Services Department expenditure reimbursed through the payment of the per-meal/meal equivalent FSMC fees.

Exhibit 8–20 shows the cost per serving of random products found on copies of a few available on the district’s SYSCO invoices. These prices are compared to Texas 20 Food Purchasing Cooperative pricing. There will always

be variations in prices between individual bids, depending on the winning distributor and the volume of the bid. Generally, there will be a mix of pricing with some higher and some lower pricing between one bid and another. For some products, there may also be quality differences.

The number of products compared in this exhibit was very small, due to the lack of available district information. There are no meat items listed as most of these products on the SYSCO invoice were commodity discounted, and similar products were not found on the Texas 20 bid. The exhibit is provided to demonstrate that there is a difference in pricing. The only way to determine the savings one bid will provide the district over another is to apply the pricing using the volume of product that will be purchased for the school year. It is sufficient to use only the high volume items, such as pizza, char-patties, French fried potatoes, and canned and frozen fruits and vegetables. The information to conduct an extensive study was not available to the review team.

Luling ISD should compare the food prices paid through the FSMC to the prices paid by the members of the Region 20 Texas 20 Food Purchasing Cooperative as part of the full cost benefit analysis. Once the USDA Foods banked products with manufacturers are exhausted, another useful exercise is to compare the price of products processed with USDA commodities (including the value of the donated foods) to the same products purchased directly from the distributor. If

**EXHIBIT 8–20
TEXAS 20 FOOD PURCHASING CO-OP PRICING VS LULING ISD PRICING ON RANDOM ITEMS
2012–13**

REGION 20 FOOD SERVICE COOPERATIVE PRICING				LULING ISD PRICING THROUGH FSMC			
PRODUCT	PACK	PRICE/ CASE	PRICE/ SERVING	PRODUCT	PACK	PRICE/ CASE	PRICE/ SERVING
G.M. Bowl Pack all flavors	96 ea.	\$17.60	\$0.18	G.M. Bowl Pack Cheerios	96 ea.	\$35.59	\$0.371
Kellogg's all flavors	96 ea.	\$18.29	\$0.19	G.M. Cocoa Puffs	96 ea.	\$35.59	\$0.371
Excel Potato Pearls	8/ 31.9 oz	\$34.68	\$0.136/oz	Basic American potato pearls	12/28 oz	\$54.66	\$0.163/oz
Rich's Biscuit Dough, Whole Grain UNBAKED	216/2.25	\$33.68	\$0.156	Bridgford Honey Wheat Biscuit BAKED	100/2.25	\$21.19	\$0.212
Green Peas, Frozen	20 lb	\$18.50	\$0.925	Green Peas, Frozen	30 lb	\$29.58	\$0.986
American Cheese, Sliced	6/5 lb	\$66.37	\$2.212	American Cheese, Sliced, 184	6/5 lb	\$67.14	\$2.238 lb
Apple Juice Sun Cup	72/4 oz	\$10.20	\$0.148	Ardmore	72/4 oz	\$8.85	\$0.126
Heinz Ketchup	1000/9 gm	\$14.20	\$0.0142	Heinz Ketchup	1000/9 gm	\$15.53	\$0.0155

SOURCE: ESC Region 20 Food Service Cooperative Bid Award, 2012–13, and Luling ISD invoices 2012–13.

the district does not conduct food price comparisons, the district will not have sufficient information to determine if lowering food costs through purchasing procedures is achievable

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 8: CHILD NUTRITION SERVICES							
39. Perform a full cost-benefit analysis of the district's Food Services Department as operated through the food service management company contract to determine if it is possible for the Child Nutrition Programs to be fiscally self-sustaining.	\$2,830	\$2,830	\$2,830	\$2,830	\$2,830	\$14,150	\$0
40. Reconcile and validate the monthly food service management company invoice before making payment and develop a comprehensive oversight plan to remain directly involved in, and to closely monitor, Food Service department operations.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41. Develop written procedures and assign a district employee to monitor the use and crediting of the district's USDA Foods.	\$2,736	\$2,736	\$2,736	\$2,736	\$2,736	\$13,680	\$0
42. Submit a revised Free and Reduced-Price Meals Policy Statement, Attachment B, Collection Procedure for breakfast-in-the-classroom served at Shanklin Elementary School.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43. Assign a district employee to conduct the annual Accuclaim onsite review of meal counting and recording procedures in each school.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44. Develop strategies for increasing student participation in the School Breakfast and the National School Lunch Programs.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45. Raise adult and student full-price breakfast and lunch prices to ensure that the revenue generated is sufficient to cover the cost of preparing and serving the meals.	\$5,591	\$5,591	\$5,591	\$5,591	\$5,591	\$27,955	\$0
46. Monitor FSMC staff to ensure that the breakfast and lunch menus are planned to meet all U.S. Department of Agriculture meal pattern requirements.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47. Monitor to ensure that kitchen employees consistently use standardized recipes and record accurate and complete information on the food production records.	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FISCAL IMPACT (CONTINUED)

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 8: CHILD NUTRITION SERVICES							
48. Implement Offer versus Serve in all district schools at all age/grade levels for both breakfast and lunch meal service in an effort to reduce waste.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49. Conduct plate waste studies and consult with Food Services department staff to determine the types of foods that should be served, and develop strategies for reducing the amount of food students are discarding.	\$73,800	\$73,800	\$73,800	\$73,800	\$73,800	\$369,000	\$0
50. Compare the food prices paid through the FSMC to the prices paid by the members of the Region 20 Texas 20 Food Purchasing Cooperative as part of the full cost benefit analysis.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 8	\$84,957	\$84,957	\$84,957	\$84,957	\$84,957	\$424,785	\$0

CHAPTER 9

TRANSPORTATION

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 9. TRANSPORTATION

The safe and efficient transportation of children to and from school is a vital function that must be managed well. Every school district in the state must determine how best to provide and manage such a program. A number of components must be in place in order to achieve the levels of performance necessary to meet state standards and the expectations of the community, students, parents, and other stakeholders.

Districts should have procedures that ensure a fleet of buses that is adequate in number and quality and is well-maintained, safe, and dependable. It is also imperative that school districts have a defined process for replacing buses on a regular basis.

Another component of a quality program is the need for bus drivers who are competent, well-trained, and dependable, with an understanding of their role in the education of children. Drivers who exhibit pride in the quality of their performance and loyalty to the institution for which they work are valuable assets for a district's transportation program. Bus drivers must be free from substance abuse. They must also be healthy and alert in order to have the skills and dexterity to drive large vehicles safely. In order to demonstrate that they are safe drivers, prospective school bus drivers are required to attend a 20-hour certification course covering content prescribed by the Texas Department of Public Safety. They must then pass a state exam. Experienced drivers are required to take an eight-hour refresher course and pass an exam every three years. These training programs are available at regional education service centers.

In addition to being responsible for delivering children to and from school each day, transportation department personnel must be capable of driving many long miles, carrying students and staff to extracurricular events and programs, including athletics, band, and drama events, field trips, and a host of other activities that are vital to the provision of a full educational program.

Tasks associated with a high quality transportation program include management and supervision of employees, development and revision of bus routes, and maintaining, cleaning, and fueling the bus fleet.

Luling Independent School District (Luling ISD) is a long and relatively narrow district geographically located approximately 58 miles east of San Antonio. Its boundaries touch those of four other school districts (Gonzales ISD, Lockhart ISD, Seguin ISD, and Prairie Lea ISD). It is bisected by five heavily traveled highways as well as numerous farm-to-market roads, auxiliary highways, and county roads. On school days during rush-hour periods, traffic is very heavy in the district, particularly on the major highways. Traffic patterns along the major thoroughfares in the district create challenges in designing bus routes and require extra vigilance on the part of the drivers.

There are 17 buses on the district's inventory as shown in **Exhibit 9-1**. All buses are parked within the district's fenced transportation lot. The bus barn is part of the Transportation/Maintenance complex, located directly across the street to the east of the football field in the southeast corner of the school district complex. It is one block east and one-half block south of the Luling ISD Administration Building.

Ten buses are being used and maintained for routes or as substitutes. There are two mid-buses, which hold 14 passengers each, used for small group field trips, extracurricular activities, and, if numbers permitting, for summer school. Five buses are not used for anything other than to provide spare parts.

The district operates five regular bus routes as shown in **Exhibit 9-2**.

During school year 2011-12, Luling ISD buses traveled a total of 42,631 miles on regular bus routes. The buses traveled another 36,081 miles for extracurricular purposes and another 1,009 miles for maintenance/repair. These miles are reported on the district's operations and mileage report for a total cost of \$153,182. The cost per mile is \$1.92, according to a Texas Education Agency (TEA) report. Luling ISD's reported costs per mile are the same for two-or-more-mile service and the combined two-or-more-mile and hazardous area service, so only one rate is shown. Luling ISD reports no mileage in the special category. **Exhibit 9-3** shows operational efficiency indicators compared to peer districts.

**EXHIBIT 9-1
LULING ISD BUS INVENTORY, APRIL 2013**

BUS #	YEAR	MAKE	SERVICE MILES TO DATE 2012-13	STATUS
5	2003	Thomas	89,499	Routes
6	1996	Thomas	168,615	Routes
7	2006	Blue Bird	94,744	Routes
8	2007	Blue Bird	94,528	Routes
9	2007	Blue Bird	94,759	Routes
10	2008	Blue Bird	54,837	Routes
11	2008	Blue Bird	47,271	Routes
12	2014	Blue Bird	7,999	Routes
13	2014	Blue Bird	5,928	Routes
0	2000	Blue Bird	153,031	Routes
MD 10	2001	Chevrolet	86,271	Field Trips, Extracurricular Activities, and possibly Summer School
MD 11	2002	Thomas	119,611	Field Trips, Extracurricular Activities, and possibly Summer School
2	1991	International	81,135	Parts
3	1995	Genesis	70,145	Parts
18	1991	Genesis	128,289	Parts
19	1993	International	199,554	Parts
1	1992	International	43,408	Parts

SOURCE: Luling ISD Vehicle Description, communication from district staff, April 2013.

An examination of cost per mile shows that Luling ISD operates at a more efficient level in comparison to the peer districts selected for this review.

As shown in **Exhibit 9-4**, the TEA's *2011-12 Operations Report and Vehicle Summary* also indicates that Luling ISD operates at a reasonable cost in comparison with peer districts. However, data from the report also show that the ratio of students per bus is low with only 11.8 students per bus.

In terms of transportation funding, TEA's linear density grouping is significant as it determines the amount of a school district's Foundation School Program Transportation Allotment. For regular education students, the state

**EXHIBIT 9-2
LULING ISD BUS ROUTE TWO-OR-MORE MILE SERVICE 2011-12**

ROUTE NUMBER	STUDENTS AND AREA SERVED	TOTAL DAILY MILES	DAILY DRIVE TIME (HRS)	AVERAGE DAILY RIDERSHIP
1	Regular Northwest	46.9	2.40	58
2	Regular Southwest	51.6	2.50	40
8	Regular West	63.0	2.50	36
9	Regular East	73.0	2.50	35
HS	Head Start	5.0	0.75	31
Total		239.5	10.65	200

SOURCE: Texas Education Agency, Transportation Route Services Worksheet, March 2013.

**EXHIBIT 9-3
LULING ISD AND PEER DISTRICT OPERATIONAL EFFICIENCY INDICATORS SCHOOL YEAR 2011-12**

DISTRICT	TOTAL MILES	TOTAL COST	COST PER MILE REGULAR
Luling ISD	79,721	\$153,182	\$1.92
McGregor ISD	73,839	\$169,153	\$2.29
Littlefield ISD	94,429	\$201,801	\$2.14
Comfort ISD	155,250	\$407,458	\$2.62
Marion ISD	163,424	\$443,646	\$2.71

NOTE: Since Luling ISD reports no expenses for special transportation or hazardous area service, only the regular costs per mile are compared.

SOURCE: Texas Education Agency, 2011-12 Operations Report and Vehicle Summary.

reimburses districts for qualifying transportation expenses based on linear density, the ratio of the average number of regular education students transported daily to the number of miles traveled daily for those students. State reimbursement for regular program transportation is provided for students living two or more miles from the school they attend. Interviews with district officials indicate that Luling ISD does not provide transportation to students who live within a two-mile radius of the school they attend. The state does not reimburse districts for transporting students living within two miles of the school they attend unless they face hazardous walking conditions on the way to school. Luling ISD does not receive hazardous route funding. A school district must use local funds to pay for transportation costs the state allotment does not cover. **Exhibit 9-5** shows the linear

**EXHIBIT 9-4
LULING ISD AND PEER DISTRICT OPERATIONAL EFFICIENCY INDICATORS
SCHOOL YEAR 2011-12**

DISTRICT	TOTAL EXPENDITURES	TOTAL BUSES	TOTAL STUDENTS	COST PER STUDENT	ANNUAL COST PER BUS	BUSES PER 100 STUDENTS	STUDENTS PER BUS
Luling ISD	\$153,182	17	200	\$766	\$9,011	8.5	11.8
McGregor ISD	\$169,153	10	272	\$622	\$16,915	3.7	27.2
Littlefield ISD	\$210,810	15	182	\$1,158	\$14,054	8.2	12.1
Comfort ISD	\$407,756	18	291	\$1,401	\$22,653	6.2	16.2
Marion ISD	\$443,646	17	561	\$791	\$26,097	3.0	33.0

SOURCE: Texas Education Agency, 2011-12 Student Transportation Operations Cost and Mileage.

**EXHIBIT 9-5
STATE TRANSPORTATION ALLOTMENTS BASED ON LINEAR
DENSITY GROUPING
SCHOOL YEAR 2010-11**

LINEAR DENSITY GROUPING	ALLOTMENT PER MILE OF APPROVED ROUTE
2.400 or above	\$1.43
1.650 to 2.399	\$1.25
1.150 to 1.649	\$1.11
0.900 to 1.149	\$0.97
0.650 to 0.899	\$0.88
0.400 to 0.649	\$0.79
Up to 0.399	\$0.68

SOURCE: Texas Education Agency, 2010-11 School Transportation Allotment Handbook.

density groups and the associated allotment per mile. The district is in the linear density grouping of 0.650 to 0.899, receiving \$0.88 allotment per mile of approved route.

Luling ISD's maximum state allotment per mile is comparable to the peer districts as shown in **Exhibit 9-6**. Based on the linear density analysis, Luling ISD received a state allocation of \$37,515, or 24.5 percent of the total transportation operating budget of \$153,182 in school year 2011-12.

Typically, the state allotment covers one-third of districts' transportation costs.

Aside from its buses, Luling ISD owns no vehicles other than those used by the Transportation/Maintenance and Technology Departments within the district. Children are not transported by any method other than by bus, according to the Transportation/Maintenance director. Luling ISD participates in the Caldwell County Co-op (the Co-op) for special education students. The Shared Services Arrangement Agreement, reviewed by Schwartz Attorneys-at-Law for TEA, states that Lockhart ISD is the fiscal agent for the Co-op and that the Co-op is responsible for transportation to Co-op funded classes. According to the Luling ISD director of Special Education, the Co-op is responsible for the Co-op students even though they contract their transportation services to Student Transportation Services, which bears the liability. The Co-op director and Lockhart ISD oversee the contract and the safety of the students. All bus drivers have been trained, and there is a monitor on all special education buses. All of these buses are air conditioned for comfortable transport of medically fragile students. Lockhart ISD has not conducted a cost analysis, and neither has Luling ISD, at least not in several years.

**EXHIBIT 9-6
LULING ISD AND PEER DISTRICT DENSITY GROUPINGS
SCHOOL YEAR 2011-12**

DISTRICT	AVERAGE DAILY RIDERSHIP	ANNUAL STANDARD REGULAR MILES	LINEAR DENSITY	STATE ALLOTMENT
Luling ISD	200	42,631	0.8445	0.88
McGregor ISD	272	56,300	0.8696	0.88
Littlefield ISD	182	45,230	0.7243	0.88
Comfort ISD	291	124,533	0.4206	0.79
Marion ISD	561	108,094	0.9342	0.97

SOURCE: Texas Education Agency, School Transportation Allotment Handbook, 2010-11.

The district's Transportation coordinator is a certified, trained, and licensed bus driver. She maintains all the records and designs the bus routes manually. The Transportation director, who is also the Maintenance director, is not certified or licensed as a bus driver and relies on others when situations such as breakdowns arise that require a substitute bus to be dispatched to the field. Both of the maintenance workers in the district are certified and credentialed bus drivers. They serve as substitute drivers, and there is one other substitute driver available in the district.

Luling ISD purchases its fuel from the Exxon distributor at a negotiated price and pays no taxes on its fuel purchases. Bus drivers fill up at the Exxon station in town.

FINDINGS

- ◆ Children face dangerous situations when buses are loading or unloading on public roads because of drivers' failure to stop.
- ◆ The district does not have clearly marked "Bus only" pick-up/drop-off spots at the Primary School.
- ◆ Luling ISD does not have a job description or a list of duties and/or responsibilities for the positions of Transportation director and coordinator.
- ◆ The district has not analyzed the number of buses that are needed to meet the district's transportation needs.

RECOMMENDATIONS

- ◆ **Recommendation 51: Collaborate with local and area law enforcement agencies to conduct a public awareness campaign and more aggressive monitoring of driver adherence to regulations regarding stopping while children are being picked-up and dropped-off.**
- ◆ **Recommendation 52: Identify designated "bus only" pick-up and drop-off areas at the Primary School to allow buses to arrive and depart campus areas efficiently and to ensure student safety.**
- ◆ **Recommendation 53: Reorganize the Transportation Department by eliminating the coordinator position, and converting the director position from part-time to full-time, while removing transportation responsibilities from the Maintenance director's position.**

- ◆ **Recommendation 54: Conduct a needs assessment of the size of the district's transportation fleet.**

DETAILED FINDINGS

BOARDING AND EXITING SCHOOL BUSES ON PUBLIC ROADS (REC. 51)

Children face dangerous situations when buses are loading or unloading on public roads because of drivers' failure to stop. The most dangerous situations related to transportation in the district occur when students are being picked up in the morning and when they are being dropped off at their homes in the afternoon. According to Luling ISD bus drivers, there have been a significant number of instances when private vehicles have failed to stop as prescribed by law as students are loading or unloading. These situations are particularly hazardous during foggy conditions or when it is raining and roads are slick.

The dangers posed to students are significant if the public remains unaware or unresponsive to the requirements of state law for drivers to stop their vehicles when bus lights are flashing and students are walking to or from the bus.

According to the Texas Transportation Code, Section 545.066, drivers must stop when a school bus is loading or unloading a student and is operating a visual signal (red flashing lights or a stop sign). Drivers should not proceed until the school bus resumes motion, the driver is signaled by the bus driver to proceed, or the visual signal is no longer activated. A driver does not have to stop for a school bus if it is on a highway with roadways separated by an intervening space or physical barrier. (If a highway is divided only by a left-turning lane, or the roadways are not separated, drivers must stop for school buses.) The director of the Texas Department of Public Safety (DPS) has verified that the most dangerous time of a school bus journey is entering and exiting the bus. Additionally, he emphasized DPS has zero tolerance for vehicles that pass stopped school buses and drivers should be made aware of the law.

The district should collaborate with local and area law enforcement agencies to conduct a public awareness campaign and more aggressive monitoring of driver adherence to regulations regarding stopping while children are being picked-up and dropped-off. The superintendent or designee should contact the local police department and other law enforcement agencies, such as the Caldwell County Sheriff's Office and the DPS to seek assistance in raising community awareness and in enforcement of state laws

related to children being loaded and unloaded from school buses on public roads. In order to publicize the Texas Transportation Code, Section 545.066 to residents who drive on the highways, Luling ISD should use the local newspaper and other local publications. The district's school resource officer could also be assigned to ride buses on random days in order to observe and issue citations when violators break the law.

The district can implement this recommendation with existing resources.

BUS ONLY LANES (REC. 52)

The district does not have clearly marked "Bus only" pick-up/drop-off spots at the Primary School. As a result, bus drivers must maneuver around private vehicles to pick-up or drop-off students. Traffic on roads and streets that run through the Luling ISD campus sometimes causes congestion and creates problems related to safety, particularly in areas where private vehicles get in the way of buses as they maneuver to pick-up or deliver students. The efficient movement of buses at school in the student loading areas is often impeded by the public as they drive through the campus or accidentally get in the way of buses. Children have difficulty going to and from buses because of public traffic through the campus.

If this situation is not corrected, there is a potential for vehicular accidents. The situation also endangers pedestrians.

Safe Routes to School Guide (2007), a publication of the National Highway Traffic Administration, describes methods and makes suggestions for districts to follow to alleviate congestion caused by private vehicles during the arrival and departure of buses at schools. One suggestion is to employ curb striping and other pavement markings to designate where buses should park to drop off or pick up students at school. The use of red curb paint means no parking and no stopping for any vehicles other than school buses. A bus may stop at a red zone marked for buses. Signs also help define areas of drop-off and pick-up zones. Signs should be standard, highly visible, properly installed and well-maintained. DPS provides recommendations for appropriate signage and placement.

Luling ISD should identify designated "bus only" pick-up and drop-off areas at the Primary School to allow buses to arrive and depart campus areas efficiently and to ensure student safety. With signs and painted lanes and curbs, the district can designate spaces for bus pick-up and drop-off.

The district should not allow private vehicles in the marked areas. Luling ISD should also identify parent pick-up and parking spots that are not adjacent to bus loading areas. Clearly marked signs should be placed in the appropriate locations. The district should have the Transportation/Maintenance Department paint the curbs and purchase the appropriate signs to be placed in the student bus loading zone as needed.

The cost of paint and appropriate signs should not exceed \$325 per site based on estimates provided by Elgin ISD. Therefore, the fiscal impact assumes a one-time cost of \$325.

TRANSPORTATION DIRECTOR (REC. 53)

Luling ISD does not have a job description or a list of duties and/or responsibilities for the positions of Transportation director and coordinator. The Maintenance director currently serves as the Transportation director in addition to his maintenance responsibilities. There are no references to duties, responsibilities, or qualifications related to transportation on the job description of the Maintenance director. The only mention of transportation on the document is that the Maintenance director supervises the Transportation Department.

Exhibit 9-7 provides comparison of Transportation Department responsibilities and functions for both the director and coordinator to the common qualifications for the position. As shown in **Exhibit 9-7**, the Transportation coordinator meets all of the identified qualifications while the Transportation director does not. Additionally, while some duties are shared, the coordinator is responsible for all day-to-day operations, such as scheduling, reporting, safety, and student management.

The results of not having clearly defined responsibilities and duties and no job description for the Transportation director makes it difficult to evaluate staff, determine lines of authority, and provide appropriate compensation. Additionally, in a district the size of Luling ISD that is transporting 200 students per day, a part-time director (shared with maintenance) and a part-time coordinator (also a bus driver) are not consistent with effectively operating school district transportation functions.

Major areas of responsibility for the position of Transportation director from a sample job description in Elgin ISD are presented in **Exhibit 9-8**.

Elgin ISD's job description also details supervisory responsibilities, working conditions, and qualifications. The

**EXHIBIT 9-7
TRANSPORTATION STAFFING ANALYSIS, 2013**

RECOMMENDED DUTIES/QUALIFICATIONS OF TRANSPORTATION DIRECTOR	POSSESSED OR PERFORMED BY CURRENT LULING ISD TRANSPORTATION/ MAINTENANCE DIRECTOR	POSSESSED OR PERFORMED BY CURRENT LULING ISD TRANSPORTATION COORDINATOR
High school diploma or General Education Development certificate (GED)	*	*
Commercial driver's license		*
Certification and training to drive bus		*
Prepares routes and schedules		*
Prepares reports		*
Oversees vehicle maintenance	*	*
Maintains inventory	*	*
Prepares and oversees budget	*	*
Supports/maintains student management		*
Oversees personnel	*	*
Oversees safety		*

SOURCE: Interviews with Luling ISD staff; Job Description Williamson County School District Transportation Director, November 2009.

**EXHIBIT 9-8
AREAS OF RESPONSIBILITY: TRANSPORTATION DIRECTOR
JOB DESCRIPTION, 2013**

- Routes and Schedule;
- Policy, Reports, and Laws;
- Vehicle Maintenance and Repair;
- Budget and Inventory;
- Student Management;
- Personnel;
- Safety; and
- Other, including professional development, public presentations, and positive relationships with parents and community.

SOURCE: Elgin ISD Human Resources Department, Job Description, Director of Transportation, November 2009.

primary purpose of the position is to direct and manage the district's transportation and vehicle maintenance. The director oversees maintenance of all district-owned vehicles and ensures safe and efficient operations of the Transportation Department. In the area of routes and scheduling, the director prepares and updates bus routes and schedules for all schools in the district and develops plans to meet future transportation needs. The director also coordinates transportation for extracurricular activities and special programs.

The district should reorganize the Transportation Department by eliminating the coordinator position, and converting the director position from part-time to full-time, while removing transportation responsibilities from the Maintenance director's position. A director who meets all of the qualifications can carry out all of the responsibilities described in **Exhibit 9-8**, including developing policies, procedures, and job descriptions for personnel in the Transportation Department, designing routes, and driving buses. The district should develop and adopt a comprehensive job description for the position of Transportation director and make recommended changes in staffing and eliminate the Transportation coordinator position.

The director of Transportation/Maintenance makes an hourly wage amounting to an annual salary of \$56,666 for a 260-day contract. According to district staff, his time is assumed to be split evenly, meaning that the amount allocated for transportation is \$28,333. According to the Texas Association of School Boards annual salary survey, the median salary for a Transportation director is \$43,000. The Transportation coordinator makes an hourly wage amounting to an annual salary of \$20,706 for a 255-day contract. The coordinator works five hours per day, or 62.5 percent, as a bus route driver, and three hours per day, or 37.5 percent, in the role of Transportation coordinator. Eliminating the Transportation coordinator position would result in a savings of 37.5 percent of \$20,706, or \$7,765 (37.5% x \$20,706)

plus benefits of \$464 for a total savings of \$8,229 [\$7,765 + \$464]. Expanding the director of Transportation role to a full-time position would cost \$14,667 (\$43,000 minus \$28,333) plus benefits of \$825 for a total cost of \$15,492 [\$14,667 + \$825]. Therefore, expanding the role of director of Transportation and eliminating the Transportation coordinator position would result in an annual cost to the district of \$7,263 [\$15,492 – \$8,229].

EXCESS BUSES (REC. 54)

The district has not analyzed the number of buses that are needed to meet the district's transportation needs. Luling ISD operates five bus routes and provides transportation for extracurricular activities and field trips using 12 buses that are in good condition and that can continue to be used as dependable route or extracurricular buses. There are an additional five buses on the district's inventory for parts, but they were manufactured by companies that have no other buses in the district's fleet.

The congestion and crowded conditions caused by unnecessary buses parked in the transportation compound create inefficiencies for employees as they use buses or move them for servicing. The district also continues to perform maintenance for 12 of the 17 buses that are on the inventory, resulting in inefficient dedication of district resources.

Six of the district's school buses (1, 2, 3, 6, 18, and 19) are older than 15 years (see **Exhibit 9-1**). According to the National Association of State Directors of Pupils Transportation Services, an average lifespan of a school bus ranges from 12 to 15 years though many other factors, such as mileage and regular maintenance, should be taken into consideration.

The district should conduct a needs assessment of the size of the district's transportation fleet.

The fiscal impact assumes a savings from selling seven buses, including the five parts buses, since the district does not have any active buses of that bus manufacturer. The other two are the high-mileage buses. Selling these buses will leave Luling ISD with an adequate sized fleet for its needs. The standard spare bus ratio is 20 percent. With Luling ISD's five daily routes and two buses for extracurricular activities and field trips, Luling ISD needs nine to ten buses. Selling the seven buses would leave the district with a relatively young fleet with all buses under 125,000 miles.

Disposing of the unneeded buses will provide revenue of significant value to the district and will also reduce the cost

of maintaining the buses. The sale of seven buses at auction will conservatively generate \$14,000 for the district as one-time revenue. In terms of disposing of the buses, the district may want to get bids from several bus resellers who will purchase the buses directly from them. The district spends \$42,631 per year on maintenance for an average of \$3,553 per bus per year [\$42,631 ÷ 12 buses that are maintained]. Disposing of the two oldest buses used for routes would result in a savings of \$7,106 per year [\$3,553 x 2]. There may be additional potential savings from the elimination of insurance and registration costs for these buses, but these amounts are not assumed in the fiscal impact.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 9: TRANSPORTATION							
51. Collaborate with local and area law enforcement agencies to conduct a public awareness campaign and more aggressive monitoring of driver adherence to regulations regarding stopping while children are being picked-up and dropped-off.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52. Identify designated “bus only” pick-up and drop-off areas at the Primary School to allow buses to arrive and depart campus areas efficiently and to ensure student safety.	\$0	\$0	\$0	\$0	\$0	\$0	(\$325)
53. Reorganize the Transportation Department by eliminating the coordinator position, and converting the director position from part-time to full-time, while removing transportation responsibilities from the Maintenance director's position.	(\$7,263)	(\$7,263)	(\$7,263)	(\$7,263)	(\$7,263)	(\$36,315)	\$0
54. Conduct a needs assessment of the size of the district's transportation fleet.	\$7,106	\$7,106	\$7,106	\$7,106	\$7,106	\$35,530	\$14,000
TOTALS-CHAPTER 9	(\$157)	(\$157)	(\$157)	(\$157)	(\$157)	(\$785)	\$13,675

CHAPTER 10

COMPUTERS AND TECHNOLOGY

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 10. COMPUTERS AND TECHNOLOGY

Technology has become a part of everyday life for schools, students, and teachers. The demands of the 21st century workforce make it essential for students to learn and master the technologies that will equip them for success in college and careers. Technology also provides a rich new source of resources for classroom teaching as well as a means for making school operations, data gathering and record keeping, and communications more effective and efficient.

Luling Independent School District's (Luling ISD) Technology Department is led by a Technology director who reports to the assistant superintendent of Curriculum and Instruction. The director is supported by two computer technicians. One of the computer technicians serves part-time as the district webmaster.

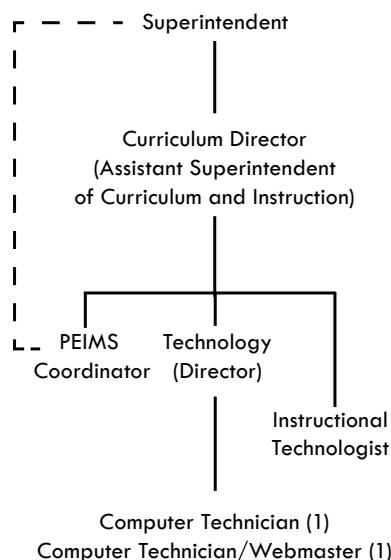
Luling ISD also has a part-time Public Education Information Management System (PEIMS) coordinator position with responsibility to coordinate the submission of student-related data to the Texas Education Agency (TEA). The PEIMS coordinator also serves as registrar and attendance clerk and reports to both the superintendent and the assistant superintendent of Curriculum and Instruction.

The district has a newly created instructional technologist position with the responsibility of coordinating technology training, integrating technology into the curriculum, and improving staff development. The instructional technologist reports to the assistant superintendent of Curriculum and Instruction.

Exhibit 10–1 shows the current organization of Luling ISD technology-related positions.

The Technology Department has designed a districtwide network. The wide-area network (WAN) functions over district-owned 1GB multimode aerial fiber connecting seven district facilities through the Network Operation Center (NOC). For security, the network requires authentication through active directory. Also, the department staff oversees the telephone system (which is Voice over Internet Protocol - VoIP) and 43 security cameras throughout the district. Since the review, the district reports that two cameras are no longer in service due to equipment failure and have not been replaced. This leaves the district with 41 functional security cameras.

EXHIBIT 10–1
LULING ISD TECHNOLOGY, PUBLIC EDUCATION INFORMATION MANAGEMENT SYSTEM, AND INSTRUCTIONAL TECHNOLOGY ORGANIZATION, JANUARY 2013



SOURCES: Luling ISD Technology Department Organization Chart, January 2013; Interview with assistant superintendent of Curriculum and Instruction, and Technology director, January 2013.

The district's Technology Department budget for 2012–13 is shown in **Exhibit 10–2**.

Luling ISD's Technology Department maintains the network infrastructure with the assistance of a work order tracking system that provides tracking and monitoring of technology-related requests. All classrooms in the district have a direct connection to the Internet via computers and laptops. Classrooms are equipped with digital projectors and telephones; some have interactive white boards. All classrooms have access to networked printers. The Primary school building has one computer lab, Shanklin Elementary and Luling Junior High buildings have two computer labs each, and Luling High School has four computer labs. Two of the Luling High Schools labs are assigned to scheduled courses and are not available for reservation by the majority of faculty. Additionally, Luling High School has four mobile labs, two with laptops and two with iPads.

Luling ISD's Technology Department supports district use of the Texas Enterprise Information System (TxEIS) for

EXHIBIT 10–2
LULING ISD TECHNOLOGY DEPARTMENT BUDGET
2012–13

AREA	2012–13
Salaries/ Benefits	\$145,815
Contracted Services (A)	\$100,200
Supplies (B)	\$35,500
Computers (C)	\$50,000
Current Technology Expenditures (A + B + C)	\$185,700
Technology Plan Expenditures	\$0
Number of Students	1415
Average per student based on current technology expenditures	\$131
Average per student based on supplies and computers expenditures	\$60

SOURCE: Luling ISD Business Office, January 2013.

administrative functions. TxEIS is the state-sponsored student information system supported by Regional Education Service Center XIII (Region 13) for student services, business services, and PEIMS.

All interview participants praised the Technology Department for the responsiveness of its staff. The department's help desk, TroubleTrakkerPro, is an online work order system that tracks requests, assigns tickets to computer technicians, notifies users, and provides statistical reporting. This tool allows district staff to create work order tickets in a user-friendly manner. The software identifies who created the ticket, the location, unit inventory number, machine address, create date, close date, status, days open, and summary of the problem. System reports provide a valuable management tool for monitoring network performance, maintaining historical data on problematic equipment, and examining the performance of department staff members. All technology-related requests are tracked and served on an established priority basis. An analysis of the 444 tickets reviewed from August 1, 2012, through January 17, 2013, shows that 98 percent of the tickets were addressed.

The district has also recently created an instructional technologist position to coordinate technology training, integrate technology into the curriculum, and improve staff development. Luling ISD began school year 2012–13 with this new staff member in place. The instructional technologist has since been providing campus- and district-level staff development on technology issues, including use of computer hardware and software applications. The instructional technologist has also been working with school principals in

the planning of technology training and integration of technology into the classroom. The instructional technologist has been assisting teachers in the classroom use of instructional technology tools such as digital projectors, document cameras, and interactive white boards. Finally, the instructional technologist is working to ensure that curriculum integration efforts in the district align with National Educational Technology Standards (NETS) for students, teachers, and administrators.

The instructional technologist has been assigned the task of overseeing the completion of the Campus/District School Technology and Readiness (STaR) Charts. The school district did not submit STaR Charts for the school years 2010–11 and 2011–12 but all required charts for 2012–13 were completed. TEA developed the STaR for use by campuses and districts in evaluating progress in integration of technology into the curriculum in alignment with the goals of TEA's *Long-Range Plan for Technology, 2006–2020*. The four components of the STaR Chart are: Teaching and Learning; Educator Preparation and Development; Leadership, Administration, and Instructional Support; and Infrastructure for Technology. Each component has four levels of progress: Early Tech, Developing Tech, Advanced Tech, and Target Tech. **Exhibit 10–3** shows the key components, focus areas, and scoring within each.

Exhibit 10–4 shows a summary of Luling ISD's 2012–13 STaR ratings by campus, with both the rating for level of progress and the actual score provided for each of the components as compared to peer districts and state averages.

Peer district comparisons indicate that Luling ISD falls short on all levels of the STaR chart, especially in Teaching and Learning; Leadership, Administration, and Support; and Infrastructure for Technology. A state-level comparison finds that Educator Preparation and Development at the high school exceeds the state level of Developing Tech (14), while other campuses fall short in that area. With respect to Teaching and Learning; Leadership, Administration, and Support; and Infrastructure for Technology, all Luling ISD campuses fall short of reaching the state average of Advanced Tech.

The instructional technologist reported doing catch-up work in the area of teacher training and curriculum integration. The instructional technologist developed a web page of teacher support resources that provides an events calendar, resources, Frequently Asked Questions (FAQs), and links to Google applications and other instructional support

EXHIBIT 10–3
TEXAS CAMPUS STaR CHART COMPONENT, FOCUS AREAS, AND SCORING, FALL 2012

COMPONENT	FOCUS AREAS	SCORES DEPICTING LEVELS OF PROGRESS
Teaching and Learning	Patterns of classroom use Frequency/design of instructional setting using digital content Content area connections Technology application TEKS implementation Student mastery of technology applications (TEKS) Online learning	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)
Educator Preparation and Development	Professional development experiences Models of professional development Capabilities of educators Technology professional development participation Levels of understanding and patterns of use Capabilities of educators with online learning	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)
Leadership, Administration, and Support	Leadership and vision Planning Instructional support Communication and collaboration Budget Leadership and support for online learning	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)
Infrastructure for Technology	Students per computers Internet access connectivity/speed Other classroom technology Technical support Local Area Network/Wide Area Network Distance Learning Capability	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)

NOTE: TEKS = Texas Essential Knowledge and Skills.

SOURCE: Texas Education Agency (TEA), Campus STaR Chart, Fall 2012.

EXHIBIT 10–4
LULING ISD STaR CHART RATINGS BY CAMPUS
SCHOOL YEAR 2012–13

CAMPUS	TEACHING AND LEARNING	EDUCATOR PREPARATION AND DEVELOPMENT	LEADERSHIP, ADMINISTRATION, AND SUPPORT	INFRASTRUCTURE FOR TECHNOLOGY
Primary & Shanklin Elementary	Developing Tech (12)	Developing Tech (10)	Developing Tech (13)	Developing Tech (13)
Jr. High School	Developing Tech (9)	Developing Tech (11)	Developing Tech (12)	Developing Tech (10)
High School	Developing Tech (13)	Advanced Tech (15)	Developing Tech (14)	Developing Tech (12)
Luling ISD Average	Developing Tech (11)	Developing Tech (12)	Developing Tech (13)	Developing Tech (12)
Peer District Average	Developing Tech (14)	Developing Tech (13)	Developing Tech (16)	Developing Tech (17)
State Average	Advanced Tech (15)	Developing Tech (14)	Advanced Tech (16)	Advanced Tech (17)

NOTE: Peer Districts include Comfort ISD, Littlefield ISD, Marion ISD, and McGregor ISD.

SOURCES: Luling ISD Campus Summary STaR Chart Report (2012–13); TEA, STaR Chart State Summary Statistics (2012–13).

materials. The web page was designed to assist staff members in reviewing or posting FAQs that the technologist or other staff members might be able to address. The events calendar provides the dates of future planned staff development presentations. Google applications or Google Apps for Education is a free suite of hosted communication and collaboration applications designed for schools and universities. Google Apps includes Gmail (webmail services), Google Calendar (shared calendaring), Google Video (secure and private video sharing), and Google Sites (team website creation tool that allows integration of videos, images, gadgets, and document integration).

Furthermore, the instructional technologist supports the district's use of Project Share and other online staff development and content resources. Project Share is an eLearning portal that provides a digital learning environment in which teachers and students can communicate, collaborate, and access digital content. Access to the platform is available at no cost to Texas school districts.

In the five months she has been with the district, the instructional technologist has provided a range of instructional support services for all grade levels. Teachers now have an individual to work with on technology integration strategies for their students. In addition to Project Share, teachers have received training on CSCOPE, Microsoft Outlook, Smart Clicker, Eduphoria-aware, On Track, Eduphoria-Forethought Planner, Study Island, Istation, and Gradebook. The instructional technologist serves a key role in support of curriculum integration, identifying quality technology tools and software applications that promote digital literacy.

FINDINGS

- ◆ Luling ISD technology spending practices have resulted in inequitable technology distribution and use of aging resources across the district.
- ◆ Luling ISD's Long-Range Technology Plan (LRTP) is incomplete, does not include an adequate needs assessment or budget, and is not aligned with district and state plans and standards.
- ◆ Luling ISD's Technology Department lacks documented policies and procedures to drive operational activities and standardization.
- ◆ Luling ISD's website is not regularly monitored to ensure successful communication and compliance

with state statutory requirements, and maintenance support is limited.

- ◆ Luling ISD does not effectively use the E-rate discount program.
- ◆ Luling ISD does not have a comprehensive disaster recovery plan or a secure environment for the electronics that would allow the district to maintain operations in the event the Network Operations Center (NOC) is compromised and rendered inoperable.
- ◆ Luling ISD lacks a full-time Public Education Information Management System (PEIMS) coordinator and effective policies and procedures to ensure accurate collection and reporting of PEIMS data.

RECOMMENDATIONS

- ◆ **Recommendation 55: Review technology spending practices and make equitable investments.**
- ◆ **Recommendation 56: Review and revise the Long-Range Technology Plan (LRTP) and include detailed budget requirements.**
- ◆ **Recommendation 57: Develop and publish technology-related standard operating procedures (SOPs).**
- ◆ **Recommendation 58: Identify, review, and update the district's website as a department priority and develop procedures and schedules to ensure consistency across the site and timely district, campus, and department updates.**
- ◆ **Recommendation 59: Develop a plan to manage the E-rate discount funding cycles at the district level.**
- ◆ **Recommendation 60: Develop and implement a comprehensive disaster preparedness and recovery plan that would allow the district to maintain operations if the network is compromised and rendered inoperable.**
- ◆ **Recommendation 61: Create a full-time Public Education Information Management System (PEIMS) coordinator position to develop and publish PEIMS-related policies and procedures.**

DETAILED FINDINGS**TECHNOLOGY BUDGETING (REC. 55)**

Luling ISD technology spending practices have resulted in inequitable technology distribution and use of aging resources across the district. Luling ISD's technology-related expenditures for five years under General Funding and function (53) Data Processing are shown in **Exhibit 10–5**.

A five-year summary of expenses reflects that 39 percent of the budget is in payroll costs, 36 percent is in professional and contracted services, while only 25 percent is dedicated for supplies and materials (23 percent) and other operating expenses (2 percent). Over the five-year period analyzed, the district has spent \$463,067 for supplies and materials and other operating expenses. This equals per-student district technology spending at approximately \$66 (1,400 students average per year x 5 years = 7,000 students; \$463,067/7,000 = \$66). The five-year calculation of \$66 aligns closely with

the 2012–13 figure shown in **Exhibit 10–2** of \$60. **Exhibit 10–6** summarizes Luling ISD's technology budget by funding source expenditure over a five-year period.

The school district is providing inadequate funding on a per-student basis to sustain any type of technologies that are lacking to assist in student achievement. The inequity in funding has resulted in disparities in workable equipment at the campus level. A review of campus inventories in **Exhibit 10–7** shows the number of computers, laptops, and tablets used by students at each campus and approximate age of equipment.

Analysis of technology inventory used by students shows:

- 61 percent of computers in the district are greater than eight years old (231 of 380) with a majority of the aged units at the primary/Shanklin elementary campus;

EXHIBIT 10–5
LISD TECHNOLOGY BUDGET BY TYPE OF EXPENDITURE
SCHOOL YEARS 2008–09 TO 2012–13

TYPE OF EXPENDITURE	2008–09	2009–10	2010–11	2011–12	2012–13	5-YEAR FUNDING BY EXPENDITURE
199–53 6100 Payroll Costs	\$142,430	\$144,118	\$143,885	\$145,235	\$145,815	\$721,483
199–53 6200 Professional and Contracted Services	101,627	81,505	84,997	91,584	100,200	459,913
199–53 6300 Supplies and Materials	63,785	20,236	31,568	52,045	85,500	253,134
199–53 6400 Other Operating Expenses	27,974	1,095	4,503	257	0	33,829
Subtotal–General Fund	\$335,816	\$246,954	\$264,953	\$289,121	\$331,515	\$1,468,359
411–11 6399 General Supplies	\$39,176	\$39,377	\$36,532	\$3,694	\$0	\$118,779
262–11 6219 Professional Services	2,585	0	0	0	0	2,585
6299 Professional and Contracted Services	0	1,628	0	0	0	1,628
6399 General Supplies	1,740	2,494	0	0	0	4,234
279–11 6399 General Supplies	0	0	278	0	0	278
285–11 6299 Misc Contracted Services	0	118,011	95,144	0	0	213,155
6399 General Supplies	6,954	40,091	3,938	1,830	0	52,813
Subtotal–Other Funds	\$50,455	\$201,601	\$135,892	\$5,524	\$0	\$393,472
Total	\$386,271	\$448,555	\$400,845	\$294,645	\$331,515	\$1,861,831

NOTES:

(1) Appropriated funds for 2012–13, Expenditures to-date = \$181,027.

(2) Subtotal-Other Funds \$393,472 = \$217,368 [62xx] plus \$176,104 [6399].

SOURCE: Luling ISD Business Office, January 2013.

**EXHIBIT 10-6
SUMMARY OF LISD TECHNOLOGY BUDGET
SCHOOL YEARS 2008-09 TO 2012-13**

FUND	BUDGET	PERCENTAGE OF BUDGET
6100 Payroll Costs	\$721,483	39%
6200 Professional and Contracted Services	\$677,281	36%
6300 Supplies and Materials	\$429,238	23%
6400 Other Operating Expenses	\$33,829	2%
Total	\$1,861,831	100%

SOURCE: Luling ISD Business Office, January 2013.

- 87 percent of laptops (132 of 152) in the district were recently purchased, but 50 are refurbished units that are at least three years old; and
- 88 percent of tablets (50 of 57) are one year old.

The newest equipment is at the high school level and oldest equipment is at the primary/Shanklin elementary campus. Based on the above information (1,415 students/461 units), the ratio is three students to one unit (3:1). Though the ratio may sound reasonable, it is important to understand that 67 percent (231 of 345 = 0.6696) of the computers used by students are eight years old or older, and some lack the capacity for even quick simple Internet searches.

Old equipment in the district affects both students and teachers. The purchase of refurbished units only exacerbates the issue of aged technology equipment. It is likely that given the number of economically disadvantaged students in the district, they may not have access to technology outside of school. The district has not provided adequate funding for the purchase of new technology-based equipment for student use. The inequity of aged equipment is even more visible given that half of the district's students are served under the

primary/Shanklin elementary umbrella. In addition, Luling ISD's technology budget does not clearly identify funding aligned with specific goals in the technology plan.

Another concern is that students do not have sign-on accounts in the system or e-mail accounts. Students use group accounts to work on assignments. The E-rate program was set up to provide discounts to assist school and libraries in funding affordable telecommunications and Internet access. E-rate is the commonly used name for the Schools and Libraries Division (SLD) of the Universal Service Fund, and Luling ISD participates in E-rate. The district has not provided students Internet access via their own individual sign-on accounts. Students cannot receive assignments from teachers without an e-mail account.

The *Texas Long-Range Plan for Technology*, (December 2012) progress report states:

Developing a plan for educational technology through 2020 requires systematic planning and step-by-step strategies implemented over time to make the vision a reality. The Texas education system is built upon a commitment to excellence and equity, providing a quality education to all students. Rigorous curriculum standards, quality instructional materials, and comprehensive student assessments provide the framework for ensuring student success. Visionary school leaders and well prepared teachers build upon that framework to provide opportunities for students to reach their full potential.

The National Education Technology Plan released in November 2010 sets the standard for educational technology planning. The plan calls for applying advanced technologies used in our daily lives to improve student learning and identifies key goals in five areas. Each core section provides

**EXHIBIT 10-7
LISD TECHNOLOGY CAMPUS DEVICE INVENTORIES WITH AGE**

CAMPUS	DESKTOP COMPUTERS	DEVICES/AGE	LAPTOPS	DEVICES/AGE	TABLETS	DEVICES/AGE
Primary	71	53 > 8 yrs.	17	15 - 1 yr.	1	1 - 2 yrs.
Shanklin Elementary	110	95 > 10 yrs.	31	28 - 1 yr.	2	2 - 2 yrs.
Jr. High	75	59 > 8 yrs.	24	16 - 1 yr.	2	2 - 2 yrs.
High School	124	24 > 8 yrs.	80	73 - 1 yr.	52	50 - 1 yr.
Total	380	231	152	132*	57	55
Used by Students	345		66		50	

*50 refurbished units at least 3 years old.

SOURCE: Luling ISD Technology Department, January 2013.

concepts for using technology to transform education. The goals of the plan include the following:

- Learning—change the learning process so it is more engaging and tailored to students’ needs and interests;
- Assessment—measure student progress on the full range of college and career ready standards and use real-time data for continuous improvement;
- Teaching—connect teachers to the tools, resources, experts, and peers they need to be highly effective and supported;
- Infrastructure—provide broadband connectivity for all students, everywhere—in schools, throughout communities, and in students’ homes; and
- Productivity—use technology to help schools become more productive and accelerate student achievement while managing costs.

The district should review technology spending practices and make equitable investments. To meet Texas Essential Knowledge and Skills (TEKS) standards and to give Luling ISD students access to current technologies, the district should purchase new equipment. The Technology Department budget must identify funding targets aligned with specific goals in the technology plan.

To meet these expectations, Luling ISD must systematically plan and develop step-by-step strategies to build equity in its technology spending and resource allocation in order to provide a quality technology education to all students in the district.

The district must first evaluate its total cost of ownership (TCO). TCO varies between school districts. To do this, the district should consider the “hard costs” of operating a network, including, for instance, the costs of training employees, maintaining a help desk and support staff, and repairing computers, with some calculation of “soft costs,” namely the loss in productivity when students and staff have to stop because the network is down or the equipment is too old to handle an e-mail attachment or the latest video streaming lesson.

Luling ISD should consider technology transformation holistically in order to achieve its goals. The Technology director should provide the superintendent and the CFO with an estimated cost and then make it part of the Technology Plan and budgeting process. This would allow for identifying and evaluating the district’s technology needs

(the number and age of computers, etc.) and budgeting for it. The district should prioritize its needs and consider replacing all of the older equipment at the primary/Shanklin elementary campus and then begin replacement at the junior high school and high school. In planning for technology, the district should consider the following:

- distribution among the regular classrooms—technology is placed where students and teachers assemble;
- computers in labs—a general purpose distribution of technology placed for student use;
- mobile computer labs—ideal for portability; an alternative to a centralized computer lab; and
- incremental roll-out—an incremental approach can be accomplished on a grade-level basis or sections of a campus. This approach gives a portion of campus classrooms enough technology to provide the technology needed by students.

In addition, to further address students’ needs, the district should analyze and consider providing students an individual school account to allow communication from teachers directly to students. No fiscal impact is assumed for this recommendation until the district has completed its assessment.

TECHNOLOGY PLANNING (REC. 56)

Luling ISD’s Long-Range Technology Plan (LRTP) is incomplete, does not include an adequate needs assessment or budget, and is not aligned with district and state plans and standards. The district’s last approved technology plan was developed by a former administrator in 2009 with no input from the Technology director or members of a technology committee and was adopted by the Board of Trustees in November 2009. The district’s TEA Certificate of Approval for the plan expired in June 2011.

In 2012, the district convened a committee consisting of classroom teachers, campus administrators, central office administrators, the instructional technologist, and the Technology director to draft a new LRTP for the district. The draft was presented to the Board in December 2012.

Review of the current draft plan indicated the following:

- The needs assessment is inadequate. The draft plans states: “The needs assessment encompassed and [sic] evaluation of current conditions and practices along with identification of areas which were lacking in

some way.” The needs assessment included in the plan is merely descriptive and includes infrastructure, inventory, and campus programs and a “want” list. There is no documentation showing either that a written needs assessment was completed or that the STaR chart information was considered in the planning process.

- The draft LRTP was developed by a technology committee that did not include full representation of staff (special programs, librarians, maintenance, cafeteria) or students, parents, and community members.
- The draft LRTP has two additional goals that have not been incorporated into one of the four STaR Chart components [Teaching and Learning; Educator Preparation and Development; Leadership, Administration, or Instructional Support; or Infrastructure for Technology].
- The draft LRTP lacks budget requirements. There is no budgetary funding in the LRTP where the goals, objectives, and strategies are linked to a budget figure.
- The draft LRTP is not linked to the 2012–13 district improvement plan (DIP).
- The draft LRTP lacks an executive summary.
- The draft LRTP has not been submitted for approval in the ePlan system.

The district’s draft technology plan includes expectations for student and teacher use of technologies but does not fully correlate with the DIP, the Texas Essential Knowledge and Skills (TEKS), or the state’s *Long-Range Plan for Technology, 2006–2020*. The state plan focuses on promoting academic excellence for all learners and building technology infrastructure aligned with the following components:

- Goal 1 component—Teaching and Learning;
- Goal 2 component—Educator Preparation and Development;
- Goal 3 component—Leadership, Administration, and Instructional Support; and
- Goal 4 component—Infrastructure for Technology.

Exhibit 10–8 shows Luling ISD’s draft technology plan for school years 2012–13 to 2014–15 by goal and objective.

Without a comprehensive technology plan that is updated annually and linked to state requirements and district improvement goals and objectives, the district’s technology decisions are not aligned with district needs and resources. In addition, without alignment, the DIP may not effectively promote technology integration in the district. Further, without budgets for specific projects, the district could be spending funds in non–critical areas and the outlined needs could go unfunded.

Exhibit 10–9 shows components of a comprehensive technology plan compared to Luling ISD’s draft plan.

The ePlan overview provides guidance on district technology plans:

Technology plans help districts to efficiently and effectively use technology to ensure students, educators, administrators, and support personnel have the tools necessary to achieve the school district’s goals. As such, technology plans should support the school district’s improvement plan and be aligned with the *Texas Long–Range Plan for Technology, 2006–2020*. Texas Education Agency requires Texas public school districts and charter schools to submit a technology plan through the ePlan system. The plan also allows, as necessary, school districts to maintain eligibility for other state and federal programs, including E–rate. The technology plan should allow a district to evaluate their current technology; determine areas of need, set goals, objectives, and strategies to meet those needs; and allocate funding for meeting the objectives.

Well–written technology plans lay the foundation for effective planning and decision–making and guide a district towards achieving its stated goals. Effective technology plans ensure there is a correlation with campus and district STaR Charts and alignment with the state’s *Long–Range Plan for Technology, 2006–2020*, the DIP, and the TEKS. Technology plans also draw information from needs assessments that include a basic inventory, budget planning, supportive environment for technology use, employee resource allocations, and student and staff proficiency levels in technology. Seminole ISD [www.seminoleisd.net/users/0001/docs/SISDTechPlan.pdf] and Levelland ISD [www.levellandisd.net/users/0001/docs/10TechnologyPlan.pdf] have technology plans that include needs assessment information, budgets, and other required information.

The district should review and revise its Long–Range Technology Plan and include detailed budget requirements.

EXHIBIT 10–8**LISD DRAFT TECHNOLOGY PLAN GOALS AND OBJECTIVES, SCHOOL YEARS 2012–13 TO 2014–15**

GOAL	OBJECTIVE
<p>Goal 1 (Teaching and Learning)</p> <p>Luling ISD staff members will provide a broad array of learning opportunities, using technology effectively, so that every learner receives the benefits of a challenging interdisciplinary curriculum that is responsive to the needs and style of each individual learner.</p>	<p>Objective 1.1—Teachers integrate technology into classroom activities to support learning and improve academic achievement. Students use technology to solve problems in the classroom.</p> <p>Objective 1.2—Develop and implement systematic objectives to ensure all students demonstrate proficiency in the use of technology in all subjects as appropriate.</p> <p>Objective 1.3—Parents and community members will have access to data through technology.</p> <p>Objective 1.4—Administrators and teachers will use digital diagnostic tools for formative evaluation to monitor progress toward the mastery of instructional objectives.</p>
<p>Goal 2 (Educator Preparation and Development)</p> <p>Luling ISD teachers, librarians, and other staff members will receive effective support and professional development activities to ensure optimal integration of technology in student learning activities.</p>	<p>Objective 2.1—Develop and implement professional development activities for teachers, principals, administrators, and school library media personnel in support of effective technology use and classroom integration.</p> <p>Objective 2.2—Coordinate with other agencies, including Education Service Centers, community and faith-based organizations, and government entities in support of ongoing academic activities for students and adults. Pursue funding opportunities at state, federal, and private levels.</p>
<p>Goal 3 (Leadership, Administration, and Support)</p> <p>Implement appropriate administrative systems to ensure that teachers and administrators at all levels have effective tools for data-driven decision-making and management actions.</p>	<p>Objective 3.1—Review and enhance administrative systems, which support data-driven decision-making at all levels.</p> <p>Objective 3.2—Ongoing communication and coordination of all technology initiatives in all departments.</p> <p>Objective 3.3—All classrooms and offices will be equipped with telephones.</p> <p>Objective 3.4—Essential personnel will have access to real-time communication tools.</p>
<p>Goal 4 (Infrastructure for Technology)</p> <p>Luling ISD will provide guidance for safety and compliance to fashion a climate conducive to learning.</p>	<p>Objective 4.1—Compliance and full support for the Children’s Internet Protection Act (CIPA), including implementation of policies and practices to support students and prevent destructive activities.</p>
<p>Goal 5</p> <p>Continuously improve technology infrastructure to support instructional and administrative activities.</p>	<p>Objective 5.1—Inventory, review, and redeployment of technology resources on an ongoing basis to ensure appropriate access to technology for teachers and students.</p> <p>Objective 5.2—Design and implement ongoing infrastructure improvements to ensure that all students and staff have appropriate and sufficient access to technology at all times. Equipment will be replaced according to the replacement schedule.</p> <p>Objective 5.3—Classes, libraries, and offices will be outfitted with uniform standard software and technology equipment; equipment will be installed/mounted based on a standard arrangement whenever and wherever possible.</p>
<p>Goal 6</p> <p>Continuously review goals, strategies, and activities associated with this technology plan to ensure that technology is always applied in ways to enable learner empowerment.</p>	<p>Objective 6.1—Communicate technology programs and initiatives in the district to parents and other community members, and involve parents and community members in these activities when appropriate.</p> <p>Objective 6.2—Review and revise this plan and its supporting documents (including district and campus School Technology and Readiness charts, or STaR charts) to determine its effectiveness.</p>

SOURCE: Luling ISD draft Technology Plan, 2012–13 to 2014–15.

**EXHIBIT 10–9
TEXAS EDUCATION AGENCY’S ePLAN COMPONENTS COMPARED TO LULING ISD’S DRAFT TECHNOLOGY PLAN
COMPONENTS, JANUARY 2013**

TEXAS EDUCATION AGENCY ePLAN COMPONENT	INCLUDED IN LULING ISD’S TECHNOLOGY PLAN
District profile – includes district information such as number of campuses, student enrollment, technology budget, current technology infrastructure, and technology planning committee	Partial: budget filled in but expenditures do not balance with existing information; technology committee needs additional representation.
Executive summary – overview of plan that should include technology planning committee organization, vision, and goal statements	No
Review of technology status	Yes
Conduct needs assessment	Partial
Incorporate district improvement plan	No
Equity issues and assistive technology	No
Instructional uses of technology	Yes
Student technology standards	No
Staff technology standards	No
Integration into core curriculum	Partial
Pilot program and action research	No
Management uses of technology	Partial
Technology infrastructure standards to include network standards	No
Budget projections and funding sources	No
Current hardware inventory and inventory control issues	Partial
Hardware standards and purchase	No
Staff training programs	Partial
Security planning	No
Current software inventory	Partial
Software standards and purchases	No
Technology literacy and professional development requirements	No
Technology replacement cycles	Yes

SOURCES: Texas Education Agency ePlan Components, February 2013; National Center for Education Statistics (NCES), *Technology in Schools*, 2003; and best practices identified by the Review Team in the research literature, January 2013.

To address this recommendation, the district should do the following:

- Complete a needs assessment process using surveys and interviews with key stakeholders in the district, including students, staff, parents, and community members.
- Ensure an active and engaged technology committee that includes additional membership from special programs, libraries, students, maintenance and cafeteria staff, parents, and community members. The committee should be required to meet twice annually to review progress in accomplishing the goals of the plan and update the plan yearly.

- Align the state and district/campus improvement plans and results from the latest STaR Charts with the technology plan. Specifically, the committee should incorporate Goals 5 and 6 (**Exhibit 10–8**) into one of the four main components of the state’s *Long-Range Plan for Technology, 2006–2020*. By incorporating these into an existing goal, the additional items could be written as objectives or strategies.
- Review budgeting and funding methods to complete the technology plan.
- Develop an executive summary for the plan that includes a brief statement of the current status of the district in technology and highlight the important

parts of the technology plan for students, teachers, staff, and community members.

- Submit the updated plan through Regional Education Service Center XIII (Region 13) for approval.

The district can implement this recommendation with existing resources.

POLICIES, PROCEDURES, AND STANDARDS (REC. 57)

Luling ISD's Technology Department lacks documented policies and procedures to drive operational activities and standardization. The Technology Department has not developed written standards, policies, or procedures for technology operations throughout the district. Interviews with technology staff members confirmed that set practices are followed, but there is not written documentation of these standards, policies, or procedures.

Written standard operating procedures (SOPs) cover network maintenance, purchasing decisions, security, asset management, district infrastructure, and mobile devices, including bring your own device (BYOD), among other topics. The district has no written guidelines for these activities.

Further, though the district has made progress towards achieving compliance in the area of hardware inventory; the district software is not included in the Fixed Asset Tracking System (FATS). Without having the software on an inventory tracking system, the license holder is not protected. Tracking systems typically include at least a valid license count, date of purchase, funding source, and version date. The district lacks most of this information.

The lack of written policies and procedures and documentation can result in the purchase and installation of incompatible computers or peripherals. Without a written SOP disposition of Luling ISD equipment or other assets, processes for determining when equipment is obsolete or unneeded or may be disposed of are unclear. Also, the installation and purchase of software without adherence to standardized configurations may result in hours of patching new software to conform to the network or workstation configuration.

For example, Luling ISD recently purchased equipment that is not fully compatible with existing peripherals and/or software, particularly older interactive white boards equipped with serial port connectors. This was mitigated by exchanging adaptor cords.

The district also purchased refurbished laptops for student use in October 2012 that were already three years old, adding to its stock of aging equipment.

The Technology Department has a practice of disposing of dated or unneeded technology equipment without a written process that examines federal guidelines for disposal, clear record keeping, and asset management.

Documented policies and procedures provide direction to staff and protect the district from loss of information in the event of staff turnover. At the same time, written policies and procedures can facilitate assimilation of new staff into the district in the most effective way. Without documented policies and procedures, functions may be carried out in an inconsistent, ineffective, and inefficient manner.

In *Helping Schools Make Technology Work (2003)*, the Texas Comptroller of Public Accounts states:

Unwritten rules are simply no substitute for clearly outlined procedures. Districts need clear policies and procedures for the purchase of technology, its acceptable use, the application of copyright laws, and the control of software and hardware inventories. The district will find it hard to defend itself against criticism when an employee acts outside of an unwritten rule—there is little proof that the individual was acting without express authority.

Written procedures are the backbone of technology operations and can be used for reference and training purposes. **Exhibit 10–10** shows common technology-related standards, policies, and procedures, and an assessment of their existence in Luling ISD.

Fabens ISD has a Standard Operating Procedures document [www.fabensisd.sharpschool.net] and Waco ISD has a technology-related recommendation information and technology order requests [www.wacoisd.org].

Luling ISD should develop and publish technology-related SOPs. SOPs establish the most basic instructions to fulfill a technological purpose. SOPs also serve as a reference point for information about steps in a specific procedure to be followed by employees involved in a technology process. On an annual basis, the district should review and update its SOPs.

Technology Department staff coordinated by the Technology director can develop processes and procedures using existing resources and present the SOPs to the administration for

EXHIBIT 10–10
LIST OF TECHNOLOGY–RELATED STANDARDS, POLICIES, AND PROCEDURES, DECEMBER 2012

INFORMATION TECHNOLOGY AREA	POLICY NAME	AVAILABILITY	EXISTING AT LULING ISD
Department	Standard Operating Procedures (SOPs)	Administration & Department	No
Acceptable Use	Internet Acceptable Use Policy (AUP)	Handbooks and website	Partial – in handbooks, and Board Policy online (CQ LEGAL)
	E–mail and messaging	Handbooks and website	No
	Internet safety policy	Handbooks and website	Partial – in handbooks, and Board Policy online (CQ LEGAL)
	Printer standards	Website	No
	Telephone services AUP	Handbooks and website	No
	Copyright policy	Handbooks and website	Partial – Board Policy online (CQ LOCAL/CY LOCAL) – in Employee Handbook only
	Mobile device policy	Handbooks and website	Partial – Board Policy online (CY LEGAL /FNCE LEGAL and LOCAL) – in Student Handbook only
	Website policy	Website	No
	Bring Your Own Device (BYOD)	Handbooks and website	No
	Security	Anti–virus policy	Department use only
Firewall policy		Department use only	No
Remote access policy and agreement		Department use only	No
Password policy		Department use only	No
Third–party access policy		Department use only	No
Help Desk	Technology Department support procedure	Handbooks and website	No
Applications	Software installation standard	Department use only	No
Servers	Server configuration standard	Department use only	No
Asset Management	Purchasing policy: hardware and software	Website	No
	Desktop move/add/change standard	Department use only	No
	Hardware standard	Website	No
	Asset disposal policy	Website	No
	Sign–out procedures for take–home equipment	Handbooks and website	No
	Inventory policy	Handbooks and website	No
	Replacement standard: hardware	Website	No
	Update standard: software	Website	No
Technology Standards	Infrastructure	Department use only	No

SOURCE: Review team compilation of best practices from research literature, December 2012.

approval. As part of the department process, the department should consider all unintended consequences when purchasing computers and laptops with respect to connecting to existing peripherals (printers, white boards, and other). Staff should also revisit the replacement cycle process in the draft technology plan in regard to purchasing refurbished equipment for student and teacher use.

The district also should examine disposal procedures of any district equipment (including technology equipment) and adhere to Board Policy CI (LEGAL) and CI (LOCAL). Documentation must be kept to ensure that items obtained with federal funds are managed according to federal regulations.

Finally, the inventory of district software must include license count, purchase date, funding source, where installed, and other relevant information. Having a central binder or folder with license information would allow validation of the licenses legally available for use.

The district can implement this recommendation with existing resources.

DISTRICT WEBSITE (REC. 58)

Luling ISD's website is not regularly monitored to ensure successful communication and compliance with state statutory requirements, and maintenance support is limited. A review of the district's website indicated the following deficiencies:

- Lack of effective navigation
 - Readers may have trouble locating information because links are not clearly labeled.
- Inactive links and dated content
 - Link for Legal Notice: Luling ISD Board Approval Fund Balance Resolution 1–24–11 is not working.
 - Website includes Texas Association of School Administrators (TASA) form dated November 2009 when an October 2011 version of the form is available.
- Required items are missing, including those related to the Texas Education Code (TEC); Update 14 Financial Accountability System Resource Guide; Texas Local Government Code; Texas Government Code; Title 20 US Code; Title 19, Texas Administrative Code or Texas Tax Code. Examples include:

- TEC, Section 28.004(k), requires physical activity policy by campus level, health advisory council information, notification to parents that child's physical fitness assessment results are available on request, vending machine and food service guidelines, and penalties for tobacco product use.
- Update 14 Financial Accountability System Resource Guide, Module 7.3.6.1, requires the Annual Financial and Compliance Report in newspaper or website.
- TEC, Section 37.0832, requires a school district to post on its website the procedure for reporting bullying.
- Inconsistent or incomplete Spanish translations
 - TEC, Section 38.019, requires English and Spanish postings of immunization requirements, health clinics in the district that offer influenza vaccines, and a link to the Department of State Health Services website.
- Lack of uniformity between campus web pages
 - The primary/Shanklin elementary campus and the junior high campus each have an introduction from principals, yet the high school does not.

One of the district's computer technicians serves as the webmaster. Only 15 percent of the technician's job assignment is designated for website maintenance. Due to time constraints and lack of coordination, the current approach for updating the district website is to wait for content to be submitted. No proactive outreach or updating schedule has been established. Each campus and department has an individual or two that works on specific web pages for their area, but this is not coordinated centrally and contributes to overall site inconsistencies. The district has a website by SchoolSpan, but has not maximized its use to ensure consistency among campus and department web pages. Additionally, the webmaster does not have formal training in web development.

The public can readily see that the district's website contains outdated and possibly erroneous content and potentially might not use the site as a primary source of information. Thus, the district is limiting the use of its website as a critical communication tool. The passive approach of waiting to receive content and only posting limited information results in lost opportunities to engage and inform the community,

publicize the district’s successes, and increase parental communication and involvement.

Further, the district is not in compliance with state requirements for website content. **Exhibit 10–11** reflects the state-required website postings and Luling ISD’s status.

A well-structured, intuitive, and up-to-date website provides the community with valuable information and highlights a district priority on communication and transparency. The

following school district websites provide examples of sites with required and optional content: Dawson ISD [www.dawsonisd.net], Seminole ISD [www.seminoleisd.net], Fabens ISD [www.fabensisd.net], San Elizario ISD [www.seisd.net], and Navarro ISD [www.nisd.us]. The flow of information on these sites is natural for the reader and the hierarchical manner assists in the process. Board minutes are easily accessible as are important reminders. Student/teacher/parent portals are also available.

**EXHIBIT 10–11
LULING ISD’S DISTRICT WEBSITE POSTINGS AND STATUS, JANUARY 2013**

CITATION	REQUIREMENT	LISD STATUS
Texas Education Code (TEC), Sections 11.1513(d)(1)(B); and 11.163(d)	Vacancy Position Postings-10 day notice for vacant position requiring license or certificate	Posted
TEC, Section 21.204(a)-(d)	Board’s Employment Policy	Posted
TEC, Section 22.004(d)	Group Health Coverage Plan and Report	Notation on Website not required (needs annual review)
TEC, Section 28.004(k)	Physical activity policy by campus level, health advisory council information, notification to parents that child’s physical fitness assessment results available on request, vending machine and food service guidelines, and penalties for tobacco product use	Unable to locate
TEC, Section 28.010(b)	Availability of college credit courses	Posted
TEC, Section 29.916	Dates PSAT/NMSQT and any college advanced placement tests will be administered and instructions for participation by a home-schooled pupil	Partial posting-Date information not available
TEC, Section 37.0832	Requires a school district to post on its website, to the extent practicable, the procedure for reporting bullying	Unable to locate
TEC, Section 38.019	Post in English and Spanish a list of immunization requirements and recommendations, a list of health clinics in the district that offer influenza vaccine, and a link to the Department of State Health Services Internet website, providing procedures for claiming an exemption from requirements in Section 38.001, Education Code	Information posted in English; Spanish links fail to open returning reader to English version
TEC, Section 39.052(e)	Notice of accreditation-warned or accreditation-probation status	Posted
TEC, Section 39.084	Post adopted budget	Posted
TEC, Sections 39.106, 39.107(f), and 39.110	Improvement plan for low-performing campuses hearing	Posted
TEC, Section 39.106(e-1)(2)	Targeted improvement plan	Posted
TEC, Section 39.362	Academic Excellence Indicator System (AEIS) Report; Performance Rating of District; Definition of Performance Rating; Campus Report Card	Posted
TEC, Section 44.0041	Summary of Proposed Budget	Posted
Texas Local Government Code, Section 176.009(a)	Conflicts Disclosure Statements and Questionnaires	Posted
Title 20 United States Code, 6316(c)10)	Notice of Corrective Action - No Child Left Behind (NCLB) related requirements	Posted
Title 19, Texas Administrative Code, Chapter 109.1005(e)(2)(D)	Superintendent’s Contract	Posted

EXHIBIT 10–11 (CONTINUED)
LULING ISD'S DISTRICT WEBSITE POSTINGS AND STATUS, JANUARY 2013

CITATION	REQUIREMENT	LISD STATUS
Texas Government Code (TGC), Section 2264.001(b)	Costs and Metered Amounts for Electricity, Water, and Natural Gas for District	Posted
TGC, Section 402.031	Bill of rights for property owners whose property may be acquired by governmental or private entities through the use of eminent domain authority	Posted
TGC, Section 551.056	Notice of a Board Meeting; Agenda for a Board Meeting	Posted
TGC, Section 2155.062(d)	Reverse Auction Scheduled Internet Location	Not Applicable; only when auctions held
TGC, Section 2267.066(2)(A)	Requires a school district to post a copy of the proposal on its website	Unable to locate
Texas Tax Code (TTC), Section 26.05(b)	Proposed Maintenance and Operations Tax Rate	Posted
TTC, Section 26.16	Tax Rate Trend Information	Posted
Update 14 Financial Accountability System Resource Guide (FASRG), Module 7.3.6.1 Submission Requirements	Annual Financial and Compliance Report	Unable to locate in newspaper or website
Update 14 FASRG Module 7.3.7 State Compensatory Education Audit	Campus Improvement Plans; District Improvement Plan; Evaluation of Compensatory Education	Posted

NOTE: PSAT/NMSQT = Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test.

SOURCE: Texas Education Code; Texas Local Government Code; Title 20 US Code; Title 19, Texas Administrative Code; Texas Government Code; Texas Tax Code; Update 14 Financial Accountability System Resource Guide Modules; as summarized by the Texas Association of School Administrators, October 4, 2011.

Luling ISD should identify, review, and update the district's website as a department priority and develop procedures and schedules to ensure consistency across the site and timely district, campus, and department updates. Ideally, the Technology Department should take full responsibility for the district website. By assigning the webmaster dedicated time in which the website is reviewed and maintained, uniformity can be realized. The district webmaster should establish standards, maintain the website templates, develop security and web accessibility guidelines, and ensure timely updates of the district website and campus web pages. The webmaster should also be responsible for training district and campus staff on web page content and procedures.

In planning for improvements, Luling ISD should consider the standardization of both district and campus web pages and an organizational hierarchy that provides better site navigation.

To implement this recommendation, the district should assume training costs for the webmaster. Approximate cost is \$500 per credit hour [a three-hour course would be a one-time cost of \$1,500 (\$500 per credit hours x 3 hours =

\$1,500)] for a training class on website design and development.

E-RATE (REC. 59)

Luling ISD does not effectively use the E-rate discount program. E-rate is the commonly used name for the Schools and Libraries Division (SLD) of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission. The program provides discounts to assist most schools and libraries in the United States in obtaining affordable telecommunications and Internet access. Funding requests fall under four categories of service: telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. Discounts for support depend on the level of poverty and the urban/rural status of the population served. Discounts range from 20 percent to 90 percent of the costs of eligible services. The level of discount is based on the percentage of students eligible for participation in the National School Lunch Program or other federally approved alternative mechanisms.

Luling ISD has, for a number of years, relied on an external consultant who is paid \$3,500 annually for E-rate form

processing. The consultant was hired to file, maintain records, and assist the district in handling queries from the SLD. The Technology director reported in interviews that the district-hired E-rate consultant had not been seen in the district in the last six years.

Exhibit 10–12 shows Luling ISD’s E-rate participation and disbursement for fiscal years 2010 to 2012.

An analysis of Luling ISD’s participation in E-rate funding indicates that the district has received E-rate funding for 2010 and 2011. In 2012, the district filed for \$515,295 in funding for Priority 1 and Priority 2 services. The Priority 1 service request (Telecommunication Services and Internet Access) in the amount of \$67,523 will be funded by the SLD. Priority 2 services (Internal Connections and Internal Connection Maintenance) in the amount of \$447,772 will not be funded because of the funding cap on the district’s discount level. The fund cap is determined by the FCC on an annual basis which explains the changes seen in the percentage of discount funding.

District oversight of the consultant is lacking. The district provides the basic filing information to the consultant who then completes the required SLD forms. The superintendent is certifying that the school district has complied with a number of requirements including but not limited to the federal Elementary and Secondary Education Act of 1965 and the Children’s Internet Protection Act of 2000. Lack of oversight by both the Business Office and the Technology Department leaves the district open to errors in the required filing documents along with any penalties that may be assessed. The consultant assumes no fault. Based on previous filings, the district is eligible for discount funding between 77 percent to 83 percent districtwide. The district has not analyzed why there is a difference in the districtwide discount funding rate from one year to the next and has not coordinated with the Food Service Department to address the correct percentage rate. On an annual basis effective

school districts distribute the National School Lunch Program forms and validate the participation rates for free and reduced-price meals with the Food Service Department. The certified figures for the free and reduced-price meal program provide the basis for the eligibility rate of the district.

The district has filed for Telecommunication Services and Internet Access (Priority 1) services since 2010, while only filing for Internal Connections and Internal Connection Maintenance (Priority 2) for 2012. Prior to 2012, the district filed for Priority 2 services in 2008. Effective districts file for Internal Connections and Internal Connection Maintenance (Priority 2) services every year, because the funding cap changes. Year 2011 utilization of funds is at 80 percent, but the district has not discussed with the E-rate consultant why utilization is not at 90 percent or more. The district has not verified that the E-rate paperwork for 2012 approved funds has been filed by the consultant so that funding can begin to flow to the district.

The Universal Service Administration Company (USAC) identifies best practices to assist applicants in complying with program rules. These practices address seven key areas that include the following:

- competitive bidding;
- invoice documentation;
- disbursement;
- service and equipment;
- technology plans;
- entity eligibility; and
- discount percent.

Additionally, the SLD maintains a website for users that provides information for filling out forms, asking questions,

**EXHIBIT 10–12
LULING ISD E-RATE PARTICIPATION AND FUNDING DISBURSEMENT
FISCAL YEARS 2010 TO 2012**

FISCAL YEAR	REQUESTED FUNDING	FUNDED REQUESTS	REQUESTED AMOUNT	TOTAL DISBURSED	UTILIZATION
2010	5	5	\$55,265	\$53,971	98%
2011	5	5	\$66,315	\$52,862	80%
2012	7	5	\$515,295	\$0*	0%
Total	17	15	\$636,875	\$106,833	17%

*At the time of the review, the amount of \$67,523 had been approved for disbursement.
SOURCE: Technology Planning E-Rate Support Center (TPESC), January 2013.

identifying what eligible services are available, and managing disbursements and payments with samples and examples.

The district should develop a plan to manage the E-rate discount funding cycles at the district level. Luling ISD needs to review options on cancelling the services of the E-rate consultant. Assistance is available through Regional Education Service Center XII (Region 12), Region 13, and the SLD. Region 12 is the E-rate support center for schools and libraries in Texas and provides training and other services on the E-rate filing process. E-rate oversight should be handled by the Technology director.

Finally, the district should inquire with the E-rate consultant about the reasons why the 2011 utilization rate is not maximized. The district should verify with the consultant that the 2012 E-rate documentation has been timely submitted to ensure funds can be released to the district. As a component, the district should analyze the reasons for the varying discount funding rate from year to year. This can be accomplished by reviewing the free and reduced-price meal participation rates with the Food Service Department.

The fiscal impact assumes a \$3,500 annual savings with in-house E-rate forms processing based on the cost paid to the external E-rate consultant. The savings over a five-year period would be \$17,500 [\$3,500 per year x 5 years]. Furthermore, handling the E-rate processing in-house ensures that the district is compliant with the filed district technology plan.

Since the review, the district reports that the contract with the current E-rate consultant ends in June 2013. Due to dissatisfaction with the level of service, the district has contracted with a new consultant from Region 12 to provide E-rate processing guidance and training. Once the Technology director and other district personnel become more knowledgeable with the filing process, the district may evaluate processing E-rate “in house.”

DISASTER PREPAREDNESS AND RECOVERY PLAN (REC. 60)

Luling ISD does not have a comprehensive disaster recovery plan or a secure environment for the electronics that would allow the district to maintain operations in the event the Network Operations Center (NOC) is compromised and rendered inoperable. According to the Technology director, Luling ISD has no written backup, storage, and destruction policies for student, teacher, and staff work and files. Though backup of databases, which include student work, is performed nightly, the practice of overwriting the disks every two weeks requires the district have a written archive

procedure and restore process. The process to overwrite the disks every two weeks appears to be a practice to solve a disk space problem. If this is the case, the district is lacking procedures related to including individual workstation backup for staff. Procedures for student work do not include backup to personal jump-drives. Procedures for backup of staff e-mail accounts are vague.

The most important backups of TxEIS student and business applications appears to be performed as part of the contracted services for data hosting through Region 13. The backup procedure for Destiny-Follett library services is unclear and lacks detail (who, how often, and what is being backed up). The stakeholders who use the applications and data on a daily basis are not made aware of the backup procedures. The district cannot assume that an offsite entity has the master files without establishing a clear understanding that this is the case.

Part of a disaster recovery plan is to address physical security measures of network systems and to provide clean, secure, and safe environments for students and staff to work and to ensure that equipment is maintained in a protective atmosphere. An informal risk assessment was performed during the site visit through a physical walkthrough of the administration building and the four campus sites. The following were observed:

- An identifying placard, as to the location of the Technology Department, was displayed in the high school hallway. The NOC is housed in that location.
- The Technology Department’s data closet at Luling Junior High has moveable lattice type windows above the office/work area, and the main cable connections of the district’s network are visible.
- The rack-mounted equipment that holds servers, hard drives, switches, routers, and other computer hardware (such as audio and video equipment) were housed in closets that are not fully protected. No security procedures were evident; doors were wide open or there were not any doors at all. In some cases, cooling systems were not functioning properly. These areas were cluttered with mops, vacuum cleaners, and cardboard boxes. Additionally, these areas were dusty and had a collection of leaves and other debris; all of which contributes to a fire hazard. One enclosed rack at the primary campus is in a room where the cabinet is being used as a chalkboard.

- The NOC and/or closets with rack-mounted electronics at campus facilities did not have a visible fire extinguisher or specialized clean agent extinguisher such as halon or halotron.
- The NOC and/or closets with rack-mounted electronics did not have adequate cooling. A number of the installed refrigerated air units in these areas are not in working order. They were purchased and installed but never connected.
- Uninterruptible Power Supplies (UPS) batteries have not been replaced on a cyclical basis. This process has been halted due to funding, according to the Technology director.
- Electrical outlets connecting computers and peripherals in classrooms and offices were overloaded.
- Cables in classrooms and offices were not secured and unprotected from foot traffic.

Current district practices are putting the network at risk. Luling ISD is susceptible to a number of specific hazards: fire, flooding, hazardous materials, high winds, power interruption/surge, severe thunderstorms, tornados, and winter storms. The possible consequences could lead to prohibited access, disrupted power, ruptured gas main, downed power lines, water damage, smoke damage, or chemical damage, all of which could jeopardize technology operations in the district, resulting in down time and/or data loss. Backup procedures and policies assist in building a comprehensive disaster recovery/business continuity plan.

The purpose of disaster preparedness and recovery plans is to provide a road map of predetermined actions that will reduce decision-making time during data recovery operations and ensure resumption of critical services at the earliest possible time in the most cost-effective manner. Plans also establish, organize, and document risk assessments and identify responsibilities for internal and external entities.

A well-developed disaster recovery document addresses safety issues and loss prevention. The document will help identify the necessary information resources for the continuation of the school district's operations and services following a disaster. This document contains procedures and processes for conducting risk analysis, setting priorities for the recovery of information resources, testing current offsite data hosting services, and identifying which automation-based services are most critical to the district.

The strategy for a districtwide information backup and contingency plan is important because the process affects virtually every area of the district. A 1998 report, *Safeguarding Your Technology*, issued by the National Center for Education Statistic (NCES) is still used today to assist school districts in reviewing essential elements needed for a formal disaster recovery plan. **Exhibit 10-13** provides a listing of key elements of a disaster recovery plan.

Several entities have made their disaster recovery and resumption plans available on their websites. Examples include the Consortium for School Networking (CoSN) [www.cosn.org], Canutillo ISD [www.canutillo-isd.org], and Schleicher County ISD [www.scisd.net].

NCES also addresses physical security countermeasures, which involve providing a clean, secure, and safe environment for students and staff members to work and equipment to be maintained in a protective environment. **Exhibit 10-14** lists key elements in physical security countermeasures.

Luling ISD should develop and implement a comprehensive disaster preparedness and recovery plan that would allow the district to maintain operations if the network is compromised and rendered inoperable. Luling ISD must be conscientious and evaluate on-site backup services for student, teacher, and staff work. Furthermore, the district should reevaluate what data is being backed up by the "data hosting services" and what backup should be done on-site for library services, student data, business services, and staff e-mail.

Without a comprehensive disaster recovery plan, the district is at risk of losing critical data and operations in the event of disaster. The district needs to consider cost-effective solutions that address disaster recovery and data protection needs across physical, virtual, and cloud environments. Cost-effective solutions should address student, teacher, and staff work. The district should assess the technology needs of departments and staff, classrooms, teachers, and students. The Technology director should take the lead working with administration, the school resource officer (SRO), and the Maintenance Department to create a comprehensive disaster recovery and resumption plan for the district. The SRO would serve in an advisory role, as he is hired from the Luling Police Department, and would provide insight on what is happening in the community.

If the data hosting is a true cloud backup solution, it is imperative to investigate if there is a management console on-site for speedy recovery. The district should ask about the backup procedures and policies of the hosting service entities.

EXHIBIT 10–13
KEY ELEMENTS OF A DISASTER RECOVERY PLAN

STEP	DETAILS
Develop a risk assessment	Do a critical needs assessment based on “What if?”
Develop a list of critical activities	Identify and classify services, operations, and records as Vital, Important, Nonessential (i.e., Student Data and Business Services)
Develop a list of key personnel	For each function and responsibility area, assign a staff member who is capable of handling the task and assure proper training
Identify physical threats	Natural events: floods, tornados Other environment conditions: extreme temperature, high humidity, heavy rains Intentional acts of destruction: theft, vandalism, arson Unintentional acts of destruction: spilled drinks, overloaded electrical outlets, bad plumbing
Implement day-to-day maintenance	Backups, including teacher and student files Virus protection Software updates User account management System monitoring Back-up providers (test provider’s backup and recovery plan)
Identify communications needs	Assume all existing communication vehicles are unavailable Determine what information will need to go out and how
Identify facilities needs and redundancies	Consider requirements for Information Technology recovery site (Who is Luling ISD’s back-up?)
Evaluate plan	Annually

SOURCE: National Center for Education Statistics (NCES), Safeguarding Your Technology.

EXHIBIT 10–14
KEY ELEMENTS IN PHYSICAL SECURITY COUNTERMEASURES

CREATING A SECURE ENVIRONMENT

Do not arouse unnecessary interest in critical facilities - A secure room should have “low” visibility (no hallway placards announcing Technology Department and no windows).

Maximize structural protection - Electronic backboards should be fireproof and closets should have lockable doors. Doors to these areas should never be propped open or used as storage closets. These areas should be clean of clutter, leaves, and dust.

Prepare for fire emergencies - Note water can damage electronic equipment, therefore, a clean agent fire extinguisher such as halon or halotron should be available. Staff must be trained to use protective equipment.

Maintain a reasonable climate within the equipment closet areas - Ensure that all rack-mounted equipment areas have working refrigerated air units.

Use Uninterruptible Power Supplies (UPSs) for critical systems.

Protect cabling, outlets, and other wires from foot traffic - Tripping over loose wires is dangerous to both individuals and equipment.

Be careful with non-essential materials in a secure computer room - Guidelines should read “no eating or drinking near computers.” Non-essential materials warning should also be included in classrooms and teacher work areas.

SOURCE: National Center for Education Statistics (NCES), Safeguarding Your Technology (1998).

For backup at the district level, the district should define what is to be backed up, when, by whom, how often, storage of disk/tape, and testing. Lastly, the district should identify what entity is a true backup site for Luling ISD and if the entity has compatible equipment.

The district can develop the disaster preparedness and recovery plan and institute a policy regarding electrical

outlets that are connected to computers and peripherals with existing resources. Several aspects of these plans/policies should be prepared in conjunction with the Maintenance Department. Costs to the district associated with the recommendation include the following:

- Removal of identification placards from hallways and department doors and covering window areas at a one-time cost of \$50.
- Cleaning out closets/rooms with electronic racks is a matter of assigning someone to remove the clutter. Fire proofing electronic backboards with fire retardant paint would involve a one-time cost of \$200. A gallon of fire retardant paint is \$100 and would require two gallons for a total cost of \$200 [\$100 per gallon x 2 gallons].
- The cost of halon or halatron fire extinguishers is estimated to be \$150 for a 2.3 lb. unit. Approximately 10 clean agent fire extinguishers would be needed for a total one-time cost of \$1,500 [\$150 per unit x 10 units]. Four years of yearly inspections of all halon fire extinguishers is estimated at approximately \$375 per year.
- One-time costs associated with rendering refrigerated air units operable is estimated at \$1,500 for materials with the assistance of the district's in-house electrician.
- Costs for uninterruptible power supply (UPS) batteries are dependent on size, with the approximate cost at \$356 per battery unit. The district should replace 114 American Power Conversion (APC) Smart-UPS inventoried with battery cartridges over a two-year period. The costs for 57 battery cartridges per year replacement would be \$20,292 [\$356 x 57]. The number of actual APC Smart-UPS should be evaluated to either reduce or add as needed based on a proactive protection schema.
- Cabling and other wiring accessories to clear foot traffic areas can be accomplished in house and would involve a one-time cost of \$200.

The estimated costs for this recommendation would involve one-time costs of \$3,450 (\$50 + \$200 + \$1,500 + \$1,500 + \$200). Annual costs would include: annual certification of all halon type fire extinguishers for \$375 beginning in 2014–15. Battery cartridge replacement would be \$20,292 in 2013–14 and 2014–15.

PEIMS PROCEDURES (REC. 61)

Luling ISD lacks a full-time Public Education Information Management System (PEIMS) coordinator and effective policies and procedures to ensure accurate collection and reporting of PEIMS data. Luling ISD's PEIMS coordinator

has multiple roles, also serving as the high school registrar and attendance clerk. The PEIMS coordinator is paid the full-time salary for the position. Yet, this individual reports to district administration for the PEIMS role and to the high school principal for the registrar and attendance clerk roles. There is no backup for the PEIMS coordinator position. Training materials for district, campus, and Leaver procedures were not available. A district produces a "Leaver record" for each student who left the district. Each Leaver record includes a "Leaver reason." The Leaver reason falls into three main groups: graduated, continued high school elsewhere, or dropped-out. The district's PEIMS diagram of the data collection and compilation process is lacking detail, and the identification of individuals from respective areas (who and what information is needed) is missing.

The district received a Person Identification Database (PID) Error Rate of 0.0 percent with zero PID errors for 2011–12 PEIMS Fall Submission and 0.1 percent with two PID errors for 2011–12 PEIMS Summer/Submission 3.

Interview data with the PEIMS coordinator indicate that documents are stored throughout the district, and several staff members have reporting responsibilities. The coordinator handles some portions of the reporting process, another person handles Leaver information, and no one person seems to have access to required forms, indicating a lack of understanding of the importance of the PEIMS submission process. Accountability from campuses, special programs, the business office, and human resources function is unclear. The PEIMS coordinator has a very important and integral role in submitting correct PEIMS data for funding purposes and for the state's accountability system as well. The superintendent is ultimately responsible for submission.

The checks and balances process in PEIMS processing in the district is superficial at best. If the edit process has an issue, it is corrected without regard for the need for accountability in the submitting area. PID errors fall into three areas:

- errors that should be corrected in the district's student information system;
- errors that should be corrected in the PID database; and
- errors that must be sent to TEA for correction.

A high amount of PID errors would require a district to complete a self-evaluation document for data quality and compliance. Furthermore, at some point, TEA could ask for a desk audit and that could result in loss of funding in

program areas. The loss of funding is dependent on where the audit finds discrepancies.

The lack of quality assurance leads to inadequate source documentation with the areas with the greatest potential for error not being monitored.

The PEIMS coordinator has not provided guidance to responsible parties in the district regarding the data collection and reporting process starting at the campus level through the re-verification process and final submission. The PEIMS coordinator has not identified the points of redundant manual data entry and any other areas of weakness.

Texas Enterprise Information System (TxEIS), the state-sponsored student information system, has a checklist outlining responsibilities for PEIMS. The four main areas of responsibility in the submission of PEIMS data includes: campus level, special program areas, business office, and human resource function. At the campus level, discipline reports, limited English proficient (LEP), Career and Technical Education (CTE), course completion, and Leaver information is verified. Special programs areas review instructional settings for handicapped and other special services, economically disadvantaged, gifted and talented (G/T), and dyslexia. The business office provides financial information. The human resources function provides employment, staff, demographics, and payroll information.

Luling ISD should create a full-time PEIMS coordinator position to develop and publish PEIMS-related policies and procedures. The part-time PEIMS coordinator function should be eliminated. As a result, the PEIMS coordinator should only be assigned the tasks applicable to PEIMS, removed from the high school and report directly to the assistant superintendent of Curriculum and Instruction. The additional duties at the high school should be redistributed to other staff. The assistant superintendent of Curriculum and Instruction can then provide daily monitoring of the PEIMS process and respond to the superintendent regarding any requests. The superintendent can feel confident that the information being submitted to TEA has been validated and edited with checks and balances in place.

Luling ISD must develop and use documented PEIMS procedures outlining data collection, review, verification, error correction, submission, and training requirements to improve accuracy in PEIMS data reporting. Luling ISD's PEIMS coordinator should develop a districtwide and campus PEIMS manual and a Leaver manual that encompasses all steps necessary to submit error-free data.

These manuals can then be used as a training tool for campuses and departments involved in the PEIMS submission process.

Furthermore, the PEIMS coordinator should implement an escalation process to notify the assistant superintendent of Curriculum and Instruction and the superintendent of PEIMS error rates for each submission to TEA. This process would ensure that the district places the appropriate importance on accurate PEIMS reporting. Upon finalizing all edits, the assistant superintendent of Curriculum and Instruction and the PEIMS coordinator should review the results and finalize approval with the superintendent. The PEIMS coordinator should take full responsibility for providing and implementing the PEIMS yearly calendar, training, edit processing, and validating information prior to final approval by the superintendent and submission.

Providing staff development to principals, assistant principals, secretaries, clerks, special programs staff, and business office and human resource personnel in PEIMS data collection/reporting enables staff to make timely corrections. Moreover, conducting weekly monitoring of campus enrollment reports, Leaver reports, and discipline reports will add to the check and balances. Requiring signature signoff on all printed reports by a campus administrator and department heads will assist the district in receiving an error rate of zero percent with no PID errors on submission of PEIMS. The district must be prepared for the new Texas Student Data System (TSDS) that is scheduled to begin replacing the current PEIMS EDIT + system in school year 2013–14.

The PEIMS coordinator can develop processes and procedures at no additional cost to the district. No fiscal impact is assumed as the district is already paying for a full-time PEIMS coordinator.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 10: COMPUTERS AND TECHNOLOGY							
55. Review technology spending practices and make equitable investments.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56. Review and revise the Long-Range Technology Plan and include detailed budget requirements.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57. Develop and publish technology-related standard operating procedures.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58. Identify, review, and update the district's website as a department priority and develop procedures and schedules to ensure consistency across the site and timely district, campus, and department updates.	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,500)
59. Develop a plan to manage the E-rate discount funding cycles at the district level.	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$17,500	\$0
60. Develop and implement a comprehensive disaster preparedness and recovery plan that would allow the district to maintain operations if the network is compromised and rendered inoperable.	(\$20,292)	(\$20,667)	(\$375)	(\$375)	(\$375)	(\$42,084)	(\$3,450)
61. Create a full-time PEIMS coordinator position to develop and publish PEIMS-related policies and procedures.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS-CHAPTER 10	(\$16,792)	(\$17,167)	\$3,125	\$3,125	\$3,125	(\$24,584)	(\$4,950)

CHAPTER 11

COMMUNITY INVOLVEMENT

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 11. COMMUNITY INVOLVEMENT

Public school districts serve critical functions in their communities. School districts provide instruction to children, employment for adults, and, especially in rural and small town communities, a focal point for community events. In return, communities provide a significant amount of funding through local taxes, additional financial support for educational initiatives beyond the tax base and through state funding, federal entitlements, grants, and even more importantly, energy and engagement for the district's mission.

The success of the school district is critical in determining the level of support a community provides, financially and otherwise. Sports and extracurricular success, external ratings of academic performance, and the achievement of individual students play a large part in determining the level of community support for a district or a particular school in a district. An additional critical variable is school and district leadership.

Community members in Luling Independent School District (Luling ISD) support the schools and district in a number of ways such as attending athletic events and student performances. Additionally, the business community provides significant financial support for students through scholarships and fundraisers. Past Board of Trustee membership and actions, the recent turnover of superintendents and principals, and the district's recent history of *Academically Unacceptable* accountability ratings are several issues the district has had to contend with the last five to six years. Some community members have transferred their children to a private school in another town. The district encourages volunteerism in schools, and membership in organizations such as the Booster Club and Parent Teacher (PT) Boosters.

In the face of major demographic changes, the residents of Luling want to see stability in district and school leadership and improved academic performance. While the community make up was once equally White, Hispanic, and African American, it is now predominantly Hispanic. Socioeconomic differences are present. Sixty-eight percent of Luling students are identified as economically disadvantaged, and 80 percent of students live in single-parent homes. According to staff, a high percentage of children were born to mothers who were under age 18, and many grandparents are helping raise their

children's children. Staff also reported that many parents work two or three jobs. Overall, the community is counting on the school district to effectively educate students in this town of changing demographics. As one interviewee characterized the school-community relationship, "The town doesn't match the school. Whites are predominant in all community groups here."

FINDINGS

- ◆ Luling ISD lacks coordinated community support for its current educational mission.
- ◆ Luling ISD lacks a formal district communications plan.
- ◆ Luling ISD's parent involvement plans are not effective in engaging parents in support of their children's academic development.

RECOMMENDATIONS

- ◆ **Recommendation 62: Establish a community partnership for learning that integrates the delivery of education, health services, family support, career-building opportunities, and family and community engagement.**
- ◆ **Recommendation 63: Develop, implement, and monitor a district communications plan.**
- ◆ **Recommendation 64: Develop, implement, and monitor a parent engagement plan that utilizes research on effective strategies to involve Luling ISD parents in their children's education.**

DETAILED FINDINGS

COMMUNITY PARTNERSHIPS (REC. 62)

Luling ISD lacks coordinated community support for its current educational mission. There is clearly interest in the community in the success of Luling students as demonstrated by the work of several organizations and initiatives. The Chamber of Commerce, which has 205 members, is active in education and is seeking additional involvement with the district. The Chamber encourages community non-profit organizations, including district organizations, to apply for the funds that are raised at one of its events, A Night in Old

Luling. In 2012, the Luling High School Drama Club was selected as the grantee and received an award of \$14,000. The Chamber of Commerce is also assembling an education committee, according to a Chamber representative, and the new superintendent has agreed to be a member. One of the goals of this committee will be to provide help for the schools in “any way the superintendent says, for example, tutoring and supplies,” the representative said. Other ideas include identifying future employment needs of the community and perhaps holding a job fair to build student awareness of career opportunities in Luling.

The Luling Economic Development Board (LEDB) is also active in school and youth initiatives in the community. For example, the LEDB was responsible for bringing the Boys and Girls Club to Luling, providing a safe afterschool environment for students with programming in character and leadership; education and career; health and life skills; the arts; and sports, fitness and recreation.

In 2012, Luling individuals and businesses awarded 42 scholarships to graduating seniors. The Lions Club, which has a broad mission of community betterment, has given an average of \$4,550 per year the last four years in scholarships. In addition, the Luling Foundation, an agricultural demonstration farm that supports education and nature and farming innovations, annually gives three different types of scholarships: one for study in a trade school, one for an agriculture-related field, and one for a health-related field. Also, the Bluebonnet Electric Cooperative, which provides electrical service to a five-county area, gives trade school and four-year college scholarships to students who live in the outlying areas of Luling. One oil company gives 10 \$2,000 scholarships each year.

Two Board members have begun investigating the development of a Luling Educational foundation (the Eagle Foundation) to provide resources for students and teachers that cannot be funded through district or campus budgets. For example, if the district had as a primary goal for a school year enhancing its technology capacity, the foundation could provide funding for hardware, software, or infrastructure beyond what the district could support. This foundation could also serve as a primary funder of the community partnership and as a central coordinating body for consolidating a range of existing district fundraising activities.

Additionally, churches, businesses, and other community organizations provide a variety of resources to schools and students. HEB Grocery Stores is a large donor to the schools,

providing mentors at the junior high and high school, gift cards for needy families at the holidays, and school supplies. Restaurants provide snacks for teams, and local businesses buy advertisements for signs at athletic fields. Other groups such as the police department, the fire department, the oil museum, and the Masonic lodge all assist in instructional activities, such as school and class presentations and field trip sites.

For a town its size, Luling has a number of resources available to low income families. The district contracts with Community Action, Inc. of Central Texas for Head Start programming. An alliance of church ministers has helped find housing and employment for homeless families. The local food pantry regularly donates food to needy families. The community medical and dental clinic and the Seton Edgar B. Davis Hospital provide services on a sliding scale. Seton provides immunizations for \$5 each regardless of family income. Informal contacts between the district and the community agencies help families get food stamps. Churches are also a valuable resource with the Methodist church providing a nurse at the church and a clothing closet. Bluebonnet Trails Community Mental Health Mental Retardation (MHMR) Center and Hays Caldwell Council-Alcohol and Drug Abuse provide mental health services, and the Lions Club provides vision testing and glasses.

Volunteerism works both ways in Luling. For example, HEB staff provided landscaping before the school year started, and WalMart pays the school to have its employees volunteer, and one employee volunteered. Schools where WalMart employees volunteer also receive additional financial compensation from WalMart. Students also volunteer in the community. Student groups, such as the Key Club, mentor and read to younger children and have activities for senior citizens in nursing homes, and National Honor Society members also volunteer in nursing homes. However, according to a community spokesperson, students could be more involved in community events, such as volunteering to support the 10 community festivals that take place every year.

Despite community support for Luling students, resources provided by the community for out-of-school time are limited. There are few private child care options in the community, and few low- or no-cost options for afterschool and summer care and recreation. The district provides Kids Klub, an after school program, at \$75/month for one child and \$50/month for each additional child in the family. This fee is not prorated based on family income. The Boys and

Girls Club has just opened and does not charge for participation. Approximately 80 students and 12 high school student volunteers are participating in the afterschool program, but the program could take many more students. Parks, pools, and churches provide recreation. Two pools have served the city for 50 years, but the City Council recently voted to close one of the two pools. Additionally, there is a small public library with six computers that is open until 8:00 PM two nights a week.

However, despite what looks like generally strong support from the community for Luling students, there appears to be a deep distrust of the district and its previous elected leaders and district administrators. Samples of community feelings include the following:

- “People are sad about the district. There’s a lot of turnover, a lot of problems. School is the heart of the community. If it’s not functioning properly, the community isn’t functioning properly.”
- “There has to be ways to pull the school and community together more than they are now. They have drifted apart now more than ever before because of the Board.”
- “The district is seen with skepticism. They’ve been burned so much.”

Since the current superintendent started, the district has taken a number of steps to address community relations concerns and has begun to change the image of Luling ISD. For example, the district organized several opportunities for the community to have input in district affairs, including school and district improvement committees and a series of meetings to discuss the new curriculum. In addition, improving community relations has been identified as a priority district goal. The 2012–13 district improvement plan (DIP) includes as Board Goal II: “Engage our community by promoting involvement and support of education.” Objectives include building partnerships and improving communication about district activities to increase community involvement by 10 percent. However, only one strategy articulated in the plan (S4) actually addresses community involvement: “Solicit participation in mentoring program that engages community and parent involvement with student academic achievement.”

Other districts facing similar challenges as Luling ISD have found creating community partnerships in the service of learning to be effective. Establishing the type of partnerships envisioned in the district’s improvement plan will require

hard work and dedication to relationship building on the part of key partners. Successful models of what districts have done to re-engage communities in support of schools provide a foundation for this work. The Harvard Family Research Project’s *Partnerships for Learning: Community Support for Youth Success (2013)* identifies the following key principles for building successful partnerships for learning:

- A shared vision of learning—The partnership should consist of the school district; parents; community health, mental health, and social service providers; businesses and employment development agencies; and other community organizations and leaders. The partnership will need to come to a common understanding of its purpose and the outcomes of its work. The partnership will need to articulate what it means to have shared leadership and governance and work under the premise that all members have an equal say in the decision-making process.
- Complementary partnerships—Each partner has a clear understanding of individual and shared roles and responsibilities and may help each other out in areas other than their own. For example, health services providers may assist with grant writing that can bring additional health resources into the schools.
- Effective communication—Partners communicate frequently with one another as well as developing and implementing a formal plan for public relations. The partnership needs to articulate its goals and district accomplishments, milestones, and events, to encourage a stronger community and business involvement and partnerships. It is critical that communication be in traditional and electronic media and in Spanish.
- Regular data sharing—An effective partnership needs ways to assess its progress. In this case, data will need to be shared across the priority areas. To assess its progress, partners will look at data from health service providers, education, career preparation, and community involvement.
- Family engagement—Identifying parents who are representative of the entire community is key to the success of the partnership.
- Collaborative staffing models—Providing services where they are needed, for example health care at school or tutoring in housing projects, will require innovative ways of looking at staffing.

An additional resource the district may consider using is the Texas Education Foundation Network (TEFN), which was created to support local education foundations in Texas by providing networking opportunities, sharing best practices, and providing training and resources needed for foundations to be successful. Coordination of community resources will help the district integrate delivery of services to students.

The district should establish a community partnership for learning that integrates the delivery of education, health services, family support, career-building opportunities, and family and community engagement. The partnership could function like a community task force. The goal would be to coordinate support in the community, and this would involve active participation of many key agencies and organizations in Luling and provide ways for the school district to be seen as spearheading efforts to address challenges faced by many families in the area. It should also help with coordination of services.

Changing community demographics places increased pressure on the district to educate their economically disadvantaged students, knowing that students must have their basic needs met before they can come to school ready to learn. As one community member said, “It falls on the school to help kids who are falling through the cracks,” but the schools cannot do it alone. If the district can take the lead in organizing a community partnership, it can take steps to ensure that all Luling students have the maximum benefit from their educational experience and also address the long-term economic viability of Luling itself. This community partnership could help to dramatically change the district’s image. Further, given the large population of economically disadvantaged families in Luling, a community effort to provide support to needy children and families is critical for community sustainability. Key elements include extended learning opportunities for children and youth after school and in the summer, healthcare for children and their families, community involvement that promotes economic stability, and active family and community engagement efforts.

The Chamber of Commerce already has plans to implement an education committee, and, with the superintendent’s leadership, it could become the vehicle for convening the community partnership. The partnership would need to have representatives and commitment from parents, community leaders, health care and other service providers, law enforcement, and business leaders. Some implementation steps the partnership would need to take include:

- articulating shared vision—administer community, parent, student, and staff surveys to ensure that the partnership is starting out addressing what the community perceives as its highest priorities;
- establishing a shared leadership and governance structure—identify protocols for the functioning of the partnership that promotes equal participation of all members;
- clarify partner roles and responsibilities—identify the services, strengths, and skills that each group brings to the partnership and establish clear protocols for collaboration and service provision;
- develop communication protocols—for partnership communications with one another;
- data sharing—identify pertinent data that each partner will share and a schedule for sharing. For example, at each monthly meeting, a different partner will share, rotating through the various areas (e.g., health services, social services, education);
- family engagement—leverage the district’s existing strong contacts in the community (e.g., the homeless and migrant coordinator) to bring in representatives of communities that are less frequently involved in school and community improvement initiatives; and
- collaborative staffing—develop a plan for implementing the shared vision in step 1.

The district can implement this recommendation with existing resources.

DISTRICT COMMUNICATIONS PLAN (REC. 63)

Luling ISD lacks a formal district communications plan. The two primary ways the community learns about what is occurring in the district is through the *Luling Newsboy & Signal* newspapers and the district’s website. The editor of the *Newsboy* attends every Board of Trustee meeting and is seen as a valuable community resource, providing news and information on school activities and district actions. Otherwise, the district does not produce a newsletter or any printed material that can be shared with city officials, community groups, businesses, the Chamber of Commerce, or local religious groups. The district does not have an active Facebook page, though there appears to be inactive Facebook pages for Luling ISD and Luling High School. The Luling

ISD page is populated by Wikipedia, and the high school page looks to have a few student comments in the banner.

Interviews with Board members indicated that some community members do not have access to technology as a primary means of communication and others cannot afford newspapers. However, the district does use newsletters, flyers, Twitter and phone messenger to let parents know what is going on. It was also mentioned that the superintendent and principals schedule regular chats with parents; however, such events scheduled in the past have been poorly attended.

In a small community like Luling, the superintendent is highly visible. As one parent said, “The superintendent represents everything.” The superintendent confirmed this perception: “I am the face of the district.” In addition to district meetings, the new superintendent, who was hired in August 2012, has already made 10 presentations to community organizations as of January 2013. Audiences or presentations included a women’s organization, the Kiwanis Club, the Lions Club, and faith-based groups. The largest attendance at any of these meetings was 15. One superintendent presentation called “The State of Our Schools,” was posted on the Chamber of Commerce’s Facebook page.

If the district is not able to address the negative perceptions of the district held by the community, the district will continue to struggle in its improvement efforts. Given the new state assessment system, the district’s recent efforts to improve student outcomes will take time. Additionally, district leaders are not educating the community about these changes through publications and periodic presentations. Consensus among researchers is that it takes approximately four years to turn schools and districts around, and that is with steady leadership. Despite Luling ISD’s efforts to improve student learning, the community is not moderating its expectations and commitment to the leadership to achieve the desired impact.

Hempstead Independent School District (HISD) has a communication plan that is intended to help the district achieve its goals, foster strong relationships with district stakeholders, provide focus and direction for messages, and enable the district to present itself accurately to audiences. The plan includes the following:

- definitions of internal and external audiences;
- desired behaviors and attitudes;
- communication goals;

- communication resources;
- communication channels;
- strategies to meet communication goals;
- a communications planning worksheet;
- a communication protocol; and
- key messages for the school year.

Luling ISD should develop, implement, and monitor a district communications plan. The district may adopt a plan similar to HISD’s communication plan. To implement this recommendation, the superintendent should designate a staff member to lead the development of the communications plan. The lead staff member would then be responsible for creating a working group that includes stakeholders, such as staff, parents, and community members. The working group will have an opportunity to design a plan that truly meets the needs of Luling ISD and the Luling community and work iteratively, getting feedback from other stakeholders, before finalizing. Improved communication strategies and efforts to build consistent messaging and opportunities for dialogue will help to strengthen community relations. In addition to the communications plan, the working group should design a monitoring plan with indicators to help determine the effectiveness of the communications plan. Upon completion, the team should submit its work to the superintendent and then to the Board of Trustees for adoption. After Board adoption, the working group can provide training to all staff members and follow the monitoring plan, reporting regularly to the Board.

The district can implement this recommendation with existing resources.

PARENT ENGAGEMENT (REC. 64)

Luling ISD’s parent involvement plans are not effective in engaging parents in support of their children’s academic development. Parental involvement is generally addressed in the DIP and the respective Campus Improvement Plan (CIP) for each school. The 2012–13 DIP includes as Board Goal II: “Engage our community by promoting involvement and support of education.” Objectives include developing parental involvement strategies and communicating district activities to increase parental involvement by 10 percent. Identified strategies include hosting parent information meetings, creating a district parent involvement plan, implementing a multimedia parent communication system,

developing the Title I parent compact, and conducting a survey of parents. Examples of associated activities are also included in the plan. It is not clear what the 10 percent increase in parental involvement consists of or how it will be measured.

The 2013 CIPs reflect the district plan and the kinds of activities that have already been noted. One exception is in the high school plan in which the need to hire a parent liaison was noted.

District administrators and Board of Trustee members interviewed for the review all expressed the need to increase parental involvement in conversations about academics. Though many parents usually attend student performances and parent conferences, attendance at academically focused events is low. Different schools have made a variety of attempts to draw in parents and families, including offering events such as Family Night, Science Night, and Parents Chats and providing child care and meals to get parents to come to schools. However, staff reported that the same small group of parents usually participated. "Parents care, but not for organizations and meetings. The same people come."

A formal Parent/Teacher (PT) Boosters was started several years ago to engage parents in school activities, but parent participation has decreased every year. The organizers even coordinated PT Booster meetings in conjunction with other events, such as Fall Festival and Winter Fun Night, but parents still do not attend even though there are special activities for students.

Another attempt to involve parents in school is a parenting class that the counselors at the elementary school offer. The sessions are held monthly at morning and evening times attended by approximately 15 parents.

Although the district uses a number of methods to communicate with parents, interviews identified school and parent communication as the most significant area where the district could improve. Parents reported a variety of different communication and information sources, including the district website, e-mail, mail, and parent handbooks. Teachers also reported posting homework and grades online so parents can keep up with their children's assignments. District and campus staff reported communicating with parents through the telephone system, sending out notices, and publicizing meetings. The district also has a number of documents online.

The district has made efforts to address language issues of many parents and provides translations or translation services. The district provides English as a second language (ESL) programming for parents from 7:00 to 8:00 PM in the evenings, but the time does not work for most parents. The district attempts to provide Spanish language translations of most website information through Google translator and publications and presentations by district leaders. Also, because a large number of the families of Luling ISD students are Hispanic and many parents are non-English speakers, the district always has a translator available at district events. Each campus office also employs someone who can translate written materials and spoken messages into Spanish. All written correspondence with parents is provided in English and Spanish. However, the materials being used are not visually appealing and are at times not readable by parents and community members. Interviews with Board members revealed that building parent participation will likely involve a more concerted outreach.

While the district is doing the right things in many areas, such as prioritizing parental involvement in the DIP and providing translation for Spanish-speaking parents, without additional significant efforts and new outreach strategies, the majority of Luling ISD parents will likely remain disenfranchised. Additionally, the district runs the risk of alienating those parents who do seem to support the schools and district by continuing with more of the same, such as conducting parent information meetings about Adequate Yearly Progress and the Title I improvement process. Engaging parents in ways that meaningfully impact student achievement is critical.

The U.S. Department of Education's study, *Engaging Parents in Education: Lessons from Five Parental Information and Resource Centers (2007)*, is a compilation of best practices that have been effective in engaging parents in their children's education. Building partnerships of parents and educators involves laying the groundwork with awareness building and training and culminating in joint policymaking initiatives.

Recent research has shown that for Hispanic students, parental involvement is a key factor associated with academic success and high school completion. Schools that work closely with parents are much more effective in reducing the dropout rate than those that work with students alone. Additionally, family-oriented educational approaches are more culturally appropriate for Hispanic students than child-only approaches. The key to success is making parents true partners in their children's education.

One effective strategy for engaging non-English speaking parents in schools is by offering ESL classes that integrate parent information about the school district and parent involvement strategies into the English language learning process. These classes can help parents learn English in the context of school-related topics that will be covered each week and follow the school year calendar. For example, early in the year topics might include meeting the child's teacher, structuring times and places for homework, and participating in parent-teacher conferences. These provide rich, relevant opportunities for parents to practice their English as well as become more engaged in their children's education. There are also times in each class for parents to bring questions or concerns to the class to discuss. After the curriculum has been drafted, it is reviewed by a group of parents who represent the group of parents who will attend the classes. One of the findings of a 2009 study published by the National Association for Bilingual Education illustrates the success of this approach. During the course of the study, communication with teachers of the treatment group increased from 13.9 percent to 84 percent, while communication efforts by the control group went from 13.9 percent to only 29 percent.

Another effective practice, as mentioned in the high school CIP, is the use of parent liaisons. Parents often feel more comfortable talking to other parents, and these liaisons can help build bridges for the school, voicing parent concerns and conducting outreach for the schools through local organizations or even home visits. Campus-based parent liaisons, which provide parent leadership opportunities, should also have time to meet together to build camaraderie and collaboration and learn from one another. As these liaisons will often serve the same families, it is important to share information and successful strategies.

The success of parent leadership is based on identification of participants who mirror the community and the provision of parent liaison training. The Intercultural Development Research Association model of parent leadership is an example of a program that builds on the idea of parents as teachers of their own children and moves to seeing parents as resources to the schools, parents as decision-makers, and, finally, parents as leaders and trainers. Information about this model is available at www.idra.org. Parent involvement is critical, and many of the parents involved in this process will also likely want to be active in the community partnership described earlier.

Best practice in terms of printed materials and disseminating information involves more than simply translating documents into the parents' first language. Print formats need to be visually engaging, and language should be user-friendly and free of education jargon. Engaging parents in reviewing drafts and giving input prior to dissemination can increase the effectiveness of communication. In addition to translating written documents, information may be shared on a CD or DVD with someone reading or speaking the information for parents who are nonreaders in their first language. Additionally, the district can use other forms of technology or provide information to be shared through community groups or organizations such as churches. Further, when data are presented to educators and to parents, it needs to be clear and meaningful. Even when parents know the language, they often need help knowing what the data mean and what questions to ask. Training for parents and parent advocates or representatives that helps families understand the school context and identify and ask the questions they want the answers to is also an effective practice.

The district can determine what parents want to know by administering a survey or some other form of needs assessment to gather information on local needs related to parent involvement. Surveys should focus on family comfort with a perceived "friendliness" of the school and district, and use the results to inform parent-related school practices. To assess family friendliness, questions such as the following could be used: "I like walking into my child's school" and "If there is a problem at school, I know whom to contact." Educators should also be surveyed with questions such as, "I am pleased with the turnout I have for parent/teacher conferences," and "I ask parents to tell me about their children's strengths, talents, interests, and needs." Most importantly, survey results should be shared in transparent and user-friendly ways.

The district should develop, implement, and monitor a parent engagement plan that utilizes research on effective strategies to involve Luling ISD parents in their children's education. To create true parent partnerships in Luling, the district should design a parent involvement plan that is based on the diverse language, cultural, and socioeconomic needs of their students and their families. The plan should include research-based strategies that have been effective with populations similar to Luling ISD's.

Part of the parent engagement plan could be based on the district's communications plan. Monitoring the parent engagement plan includes assessing the effectiveness and

accessibility of the district’s publications to all members of the community. Luling ISD may want to review documents, such as its DIP and CIPs, student handbooks, and the Student Code of Conduct, and obtain feedback from parents and community members on the readability and visual appeal of the documents. Funds may then be allocated to redesign them and make them more user-friendly to parents and community members.

As parent involvement requires reciprocal efforts, implementing this recommendation requires educator buy-in and awareness building as part of the process. In Luling ISD, as is often the case, many educators come from backgrounds very different from their students. They need

opportunities to learn about the lives and circumstances of their students and gain understanding of specific background factors, such as the immigrant experience or generational poverty. Educators also need to understand the value of having parents as true partners and being open to different kinds of collaboration and communication with parents. This relationship is a key step in the process of creating a research-based parent involvement plan, which also provides an opportunity for parents to serve in a leadership role in the district.

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013–14	2014–15	2015–16	2016–17	2017–18	TOTAL 5-YEAR (COSTS) SAVINGS	ONE- TIME (COSTS) SAVINGS
CHAPTER 11: COMMUNITY INVOLVEMENT							
62. Establish a community partnership for learning that integrates the delivery of education, health services, family support, career-building opportunities, and family and community engagement.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63. Develop, implement, and monitor a district communications plan.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64. Develop, implement, and monitor a parent engagement plan that utilizes research on effective strategies to involve Luling ISD parents in their children’s education.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS–CHAPTER 11	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHAPTER 12

SAFETY AND SECURITY

LULING INDEPENDENT SCHOOL DISTRICT

CHAPTER 12. SAFETY AND SECURITY

The Texas Education Code, Section 4.001, explicitly identifies a “safe and disciplined environment” as a key objective of the mission of public schools. Safety and security efforts should be designed with the following objectives:

- to ensure an environment that is conducive to learning;
- to prevent behavioral issues, crime, and violence;
- to reduce the risk of staff and student injury and school liability; and
- to strengthen student-school-community relations.

Safety and security activities typically involve establishing internal controls to maintain a safe and secure environment as well as externally focused security measures to protect students and district property. These controls include safety programming and preparedness, discipline policy and enforcement, and staffing and procedures.

Luling Independent School District (Luling ISD) school buildings are located on five contiguous blocks with six city streets crossing or bounding the district’s facilities. These streets are open to the public at all times of the school day with intermittent traffic throughout the day. Luling ISD has three schools (Shanklin Elementary, Luling Junior High School, and Luling High School) and four instructional facilities (Luling Primary School, Shanklin Elementary, Luling Junior High School, and Luling High School).

Luling ISD has a full-time school resource officer (SRO) who has worked in the district for four years. He previously worked for several years as an officer with the Aransas County Sheriff’s Office. The district’s SRO is commissioned and employed by the City of Luling. He is a full-time police officer. The city pays 25 percent of his salary, and the school district pays 75 percent. The SRO’s duties include investigating crimes that occur on district property, creating a positive role model for students, fostering a relationship between law enforcement and the students, and being a resource for all district stakeholders.

Instructional facility safety activities at Luling ISD include periodic rehearsals of lockdowns, lockouts, and evacuations. The district’s SRO coordinates these activities. Drills are typically held on a yearly basis but can be scheduled more

often if a particular need arises. The SRO’s job description includes participation on committees and task forces as a district representative, working with district administrative staff and the Luling Police Department to review and plan policies and strategies for addressing disaster situations.

Recently, Luling ISD adopted the practice of locking outside entrances on every school building that houses students after they enter in the morning. School administrators have directed the custodial staff to lock the doors as a safety precaution. This practice was adopted after the school shootings that occurred in Connecticut in December 2012. The practice is not set in policy but was agreed on by district administrators. Staff reported the new precautions can cause complications for visitors to instructional facilities. Temporary signs give directions to visitors, but someone from inside must open the locked doors to allow visitors to enter. The district’s Crisis Management Plan, which was adopted in February 2012, was available in the principals’ offices and had been distributed to teachers at each instructional facility. The plan is in the form of a flip chart with numerous pages that display, in a graduated manner, procedures to be followed for all of the listed situations that might occur at school. The document uses an index of key words that is visible at the bottom of each page. The document provides instructions for teachers and staff in case a student brings a gun to school, threatens or talks about suicide, confides about drugs on instructional facilities, shows signs of or discloses situations of child abuse, or needs counseling for any number of reasons.

As required by law, the Board of Trustees adopted a Student Code of Conduct that prohibits certain behaviors and defines standards of acceptable behavior—both on and off instructional facilities—and consequences for violation of these standards. The document describes specific disciplinary consequences associated with violations of the code of conduct, including removal from a regular classroom or instructional facility, out-of-school suspension, placement in the district’s disciplinary alternative education program (DAEP), or expulsion from school. This document is available online at www.image.schoolspan.com.

Exhibit 12–1 shows school year 2011–12 comparison data from Luling ISD and peer districts for district disciplinary referrals for DAEP placement and in-school and out-of-

**EXHIBIT 12-1
LULING ISD COMPARISON OF DISCIPLINARY REFERRALS WITH PEER DISTRICTS
SCHOOL YEAR 2011-12**

DISTRICT	ENROLLMENT	IN-SCHOOL SUSPENSION	OUT-OF-SCHOOL SUSPENSION	DAEP PLACEMENT
Luling	1,532	476	77	13
Comfort	1,191	307	19	N/A
Littlefield	1,561	345	22	30
Marion	1,473	498	90	48
McGregor	1,443	524	62	35

SOURCE: 2011-12 Academic Excellence Indicator System (AEIS); Public Education Information System (PEIMS) discipline data, incident counts.

school suspensions by incident count. Of the comparison districts, in school year 2011-12, Luling ISD had the third highest in-school suspension incident count, the second highest out-of-school suspension incident count, and the lowest DAEP placement number (of those districts with a DAEP). Peer districts are districts similar to Luling ISD that are used for comparison purposes.

Exhibit 12-2 shows discipline data from school years 2010-11 and 2011-12 that is summarized in Luling ISD's 2012-13 District Improvement Plan (DIP). Data show either decreases in the number of incidences across most disciplinary actions or small increases, typically at the high school, with the exception of in-school suspensions (ISS). Districtwide, the total number of students assigned to ISS increased by 284 incidents in school year 2011-12, and incidences were reported at all school levels, including elementary. The most common reason incident count for Luling ISD (503) was for violation of local code of conduct.

Staff interview data indicated that discipline was perceived to be lax in recent years but that discipline issues in the district were improving with new leadership. Staff reported that the secondary principals had recently developed written discipline management plans for their instructional facilities similar to those that already existed at the elementary and primary instructional facilities. Staff said that the school administrators now manage student discipline at each of the secondary instructional facilities in a proactive manner. Staff said that because of the high school principal's strong commitment to improving behavior, there was a significant increase in the number of discipline cases handled by administrators in school year 2012-13 compared to the previous year and that routine interventions at the high school were up by 35 percent.

Exhibit 12-3 shows the district's spending for security and monitoring services in comparison with peer districts and the

state average for school year 2011-12. In **Exhibit 12-4** five-year review of Luling ISD security expenditures indicates that the district's spending in this area has varied. For example, from school years 2007-08 to 2009-10, annual expenditures were less than \$10,000. Expenditures in school year 2010-11 were \$34,724.

FINDINGS

- ◆ Inadequate precautions are taken to prevent unauthorized access to buildings during and after school hours presenting safety and security risks for the district.
- ◆ The district does not have a comprehensive emergency operating procedures plan.
- ◆ The district has no plan or process for regular safety inspections.

RECOMMENDATIONS

- ◆ **Recommendation 65: Develop and implement a plan for preventing unauthorized access to instructional facilities during and after school hours.**
- ◆ **Recommendation 66: Develop emergency operations procedures and conduct staff training for implementation.**
- ◆ **Recommendation 67: Identify a safety and security committee responsible for a school safety plan and regular safety inspections.**

DETAILED FINDINGS

UNAUTHORIZED ACCESS (REC. 65)

Inadequate precautions are taken to prevent unauthorized access to buildings during and after school hours presenting safety and security risks for the district. Numerous staff,

**EXHIBIT 12-2
DISTRICT DISCIPLINE SUMMARY
SCHOOL YEARS 2010-11 AND 2011-12**

DISCIPLINARY ACTION	ELEMENTARY			JUNIOR HIGH			HIGH SCHOOL		
	2010-11	2011-12	+/-	2010-11	2011-12	+/-	2010-11	2011-12	+/-
1) Number of students referred for disciplinary action related to the possession, sale or use of tobacco, alcohol and other drugs.	0	0	0	0	0	0	4	10	+6
2) Total number of students placed in alternative education programs because of disciplinary reasons.	0	0	0	12	4	-8	9	7	-2
3) Number of out of school suspensions related to possession, sale, or use of tobacco, alcohol and other drugs.	0	0	0	0	0	0	4	5	+1
4) Total out of school suspensions.	29	9	-20	38	41	+3	26	27	+1
5) Number of expulsion related to possession, sale, or use of tobacco, alcohol, and other drugs.	0	0	0	0	0	0	2	0	0
6) Total number of expulsions.	0	0	0	0	0	0	0	0	0
7) Number of students assigned to ISS.	60	127	+67	109	242	+133	23	107	+84
8) Number of assaults against teachers/staff.	0	0	0	0	0	0	4	0	-4
9) Number of acts of vandalism/ criminal mischief against school property greater than \$200.	0	0	0	0	0	0	0	0	0

SOURCE: Luling ISD District Improvement Plan, 2012-13.

**EXHIBIT 12-3
LULING ISD SECURITY EXPENDITURES WITH PEER DISTRICT/STATE COMPARISON
SCHOOL YEAR 2011-12**

DISTRICT/STATE	EXPENDITURES (ALL FUNDS)	PERCENTAGE	PER STUDENT
Luling	\$38,344	0.3%	\$26
Comfort	\$5,554	0.1%	\$5
Littlefield	\$0	0.0%	\$0
Marion	\$36,725	0.4%	\$27
McGregor	\$23,570	0.2%	\$18
State	\$330,934,637	0.8%	\$67

SOURCE: Academic Excellence Indicator System 2010-11.

including the SRO, reported that unmonitored access to district buildings due to inadequate locks and broken doors, and a lack of an employee key return policy, created significant security risks in the district. The physical proximity of district facilities to residential areas also presented a range of potential hazards as there are no existing barriers such as fences between

the schools and adjacent residential neighborhoods to keep intruders out.

Despite the district's new informal door-locking policy, staff reported that numerous exterior doors at each of the secondary instructional facilities, particularly those of auxiliary buildings, are open during the day so that students can move freely between lunch and extracurricular activities,

EXHIBIT 12-4
LULING ISD SECURITY EXPENDITURES
SCHOOL YEARS 2007-08 TO 2011-12

SCHOOL YEAR	EXPENDITURES (ALL FUNDS)
2007-08	\$9,255
2008-09	\$9,209
2009-10	\$5,754
2010-11	\$34,724
2011-12	\$38,344

SOURCE: Academic Excellence Indicator System 2007-08 to 2011-12.

leaving access open to intruders or potential burglars. Further, some exterior doors on these buildings cannot be secured. Multiple staff reported that doors and locks were not functioning in district facilities. In general, buildings are also not secure in off hours, including nights and weekends. Some staff said they had reported, on several occasions, finding empty buildings unlocked and doors open when they arrived in the morning. Staff also reported that there is no process for retrieving keys from employees who leave the district and that some individuals in the community who no longer worked in the district still had keys to Luling ISD facilities.

In terms of surveillance, the new superintendent recently initiated the repair and replacement of video cameras inside school buildings. There are 43 operable cameras that are centrally controlled and monitored through the district network. However, staff reported that additional surveillance cameras were lacking on the outside of buildings in critical locations.

Luling ISD should develop and implement a plan for preventing unauthorized access to instructional facilities during and after school hours. The superintendent should identify the repair or replacement of all exterior locks and doors as a priority emergency maintenance task to be undertaken by the district's Maintenance director. Once the doors are fixed, the district should also institute daily locking procedures, identifying staff with responsibility for ensuring that doors are locked. In addition, the district should install video cameras at critical locations outside of district buildings. These cameras will allow district security personnel to better monitor building access. District Human Resources staff should also articulate and be held responsible for policy requiring that employees leaving the district turn in classroom, office, and building keys before receiving their final paychecks. The National Clearinghouse for Educational

Facilities provides a range of resources to address school facility access control. These resources are available at www.ncef.org.

The district should consider the purchase of an electronic system for registering instructional facility visitors so that unauthorized persons do not have access to schools buildings. These systems require all visitors to register at a central location by presenting valid identification to get a visitor's tag, which must be worn while on school grounds. Since the time of the review, the district reports they have purchased a visitor management system for school security. Costs for the repair to doors and locks should be included in the district's maintenance budget. The cost to the district for the installation of additional outside cameras should be bid by the current supplier and from other sources.

The fiscal impact assumes a one-time cost of \$1,600 for a standard external security eight-camera surveillance system.

EMERGENCY OPERATING PROCEDURES (REC. 66)

The district does not have a comprehensive emergency operating procedures plan. The district's most recent safety and security audit report and interview data indicate haphazard attention to critical procedures that would ensure the safety of Luling ISD's staff and students and facilities in case of emergencies.

The Texas Education Code, Section 37.108, requires each school district in Texas to adopt and implement a multi-hazard emergency operations plan. The plan must address mitigation, preparedness, response, and recovery and must provide for the following:

- district employee training in responding to an emergency;
- mandatory school drills and exercises to prepare district students and employees for responding to an emergency;
- measures to ensure coordination with the Department of State Health Services and local emergency management agencies, law enforcement, health departments, and fire departments in the event of an emergency; and
- the implementation of a safety and security audit.

An emergency operations plan is a document that achieves the following:

- describes the legal basis for emergency management activities;
- outlines lines of authority and organizational relationships during emergencies and describes how actions will be coordinated;
- includes a concept of operations for preventing/mitigating, preparing for, responding to, and recovering from emergencies;
- assigns responsibility to organizations and individuals for carrying out specific emergency actions to protect lives and property;
- identifies personnel, equipment, facilities, supplies, and other resources available within the jurisdiction or by agreement with other jurisdictions for use during response and recovery operations;
- outlines procedures to request assistance; and
- identifies mitigation actions to reduce the threat posed by known hazards.

At least once every three years, Texas school districts must conduct a safety and security audit. To the extent possible, a district must follow audit procedures the Texas School Safety Center or a comparable entity developed. A review of the district's 2008 to 2011 safety and security audit report indicates that safety and security audits were completed at five of the district's instructional facilities and none of the district's non-instructional facilities. The audit report also stated that the district had not established a multi-hazard emergency operations plan.

The district has a notebook that is labeled as the Emergency Operating Procedures Handbook, but there is nothing in the notebook except photographs of sidewalks and structures that need repairs or that could be used to provide an evacuation route from the instructional facility. There are no written directions or procedures in this document that teachers could use to evacuate children from their classrooms or use as a guide for practicing emergency drills. There are also no procedures detailing a method for children to be picked up by their parents during an emergency. The district did adopt a "crisis management plan" in fall 2012 that consists of a flipchart outlining how staff should respond to a range of school-related crises.

While the district's audit report indicates that district staff has been identified as responsible for emergency management,

these staff members have not been trained in the National Incident Management System or Incident Command System, nor is safety and security training provided to all staff.

The audit also indicates that four of the five recommended safety drills were conducted at "some" or "most" instructional facilities with the recommended frequency. The report indicates that the district did not conduct "after-action" reviews following drills. Staff interview data stated that some safety drills are conducted though with what frequency is unclear. The new high school principal and the new middle school principal reported that they have initiated regular fire drills and bad weather drills. The junior high principal reported the need for lock-down and fire drills and that those were being scheduled.

Emergency Operating Procedures (EOPs) are more than just instructions for how to respond in case of an emergency or how to manage a particular crisis. EOPs provide comprehensive safety and security guidelines for districts that address mitigation of the risk of emergencies, preparedness, response, and recovery. EOPs can help districts to establish and embed in their daily operations consistent practices, such as routine safety checks and drills, designed to prevent emergencies and minimize risk. In terms of response preparedness, EOPs provide clear instructions that are practiced during drills so that students and staff know what to do when specific types of emergencies occur. Without clear instructions and coordinated efforts in an emergency, staff and students might react individually, potentially causing panic, confusion, or even greater danger in some cases. Finally, EOPs can also help district staff to recover more quickly from emergencies and crises by pre-identifying roles, responsibilities, and procedures for re-establishing normal district operations after disruptions.

Luling ISD should develop emergency operations procedures and conduct staff training for implementation. The Texas School Safety Center (TSSC) Sample District Emergency Operations Plan provides a model the district could use to guide the development of an EOP. Luling ISD should identify an administrative lead responsible for convening an emergency operations team that includes staff from key departments in the district. This team should be responsible for conducting the review and developing a complete set of EOPs. The team should review sample plans from other school districts and state and national organizations and possibly interview staff in other districts as necessary.

Additional resources for researching emergency planning and preparedness include the following:

- Texas School Safety Center, www.txssc.txstate.edu;
- FEMA, www.ready.gov;
- U.S. Department of Education Office of Safe and Healthy Students, www2.ed.gov; and
- Center for Health and Health Care in Schools, www.healthinschools.org.

Copies of existing plans and assistance in developing new plans are available through the Regional Education Service Center XIII (Region 13). Region 13 will also provide staff training for implementation upon request.

The district can implement this recommendation with existing resources.

SAFETY INSPECTIONS (REC. 67)

The district has no plan or process for regular safety inspections. The district's 2008 to 2011 safety and security audit (District Audit Report or DAR) indicates that while "district employees" conducted safety audit activities for the latest report, the establishment of a school safety and security committee was "in progress." Staff reported that Luling ISD central office and school administrators do not conduct regular safety walkthroughs with the Maintenance director.

As documented in the previous findings, there are numerous safety and security issues in the district related to building access and security as well as the lack of an emergency operations plan and inconsistent emergency preparedness procedures. In addition, **Exhibit 12–5** shows almost one third of school staff responding to a survey and about 25 percent of parent respondents reported the existence of safety hazards in the district.

Further, a 2009 facilities assessment prepared by a contracted architectural firm and informal observations conducted during the review visit in January 2013 indicate the existence of several possible building-related safety issues and/or violations, including the following:

- inadequate interior and exterior lighting;
- unsafe and inadequate sidewalks; and
- steep and slippery ramps to buildings

These and other issues and conditions would be documented and addressed if regular safety inspections were conducted for the purpose of discovering structural or other hazards that pose a danger to students, staff, or visitors. Regular inspections help staff identify the need for repairs or replacement before these issues present real danger or dysfunction. Broken or cracked sidewalks, loose railings, ramps that need repair, and doors that will not lock securely all present potential safety hazards and should be regularly inspected and identified for repair. Furniture and other equipment that students and teachers use also can become unstable, dangerous, and likely to cause injury.

Safety inspections and walkthroughs are accepted practice by industry. Inspections, if used effectively, can provide a snapshot of the school's safety status and identify areas needing improvement. A proactive safety inspection process can help ensure that the district is in compliance with state requirements.

The Texas School Safety Center provides a set of recommendations that should shape a district's safety and security processes based on state results of 2008 to 2011 district audit reports. These include:

1. Ongoing Self-Assessment—in school districts where a preparedness culture is embraced, attention to safety and security is an ongoing process of self-assessment, rather than an annual or once-every three years "audit" event.
2. Team Approach—a fundamental component of the audit process includes collaboration with community partners (e.g., Education Service Centers, local shelters, and faith-based organizations) as well as first responders (e.g., law enforcement, firefighters, EMS, and EMC). Additionally, school personnel from all staff levels should be integrated into the audit team.

EXHIBIT 12–5 SAFETY-RELATED SURVEY DATA JANUARY 2013

SURVEY QUESTION	PARTICIPANT GROUP	DISAGREE/STRONGLY DISAGREE
Safety hazards do not exist on school grounds.	School Staff	31.5%
Safety hazards do not exist on school grounds.	Parents	26.7%

SOURCE: Review Team school and parent survey January 2013.

3. Increase Compliance with TEC, Section 37.108—it is not sufficient for a district to adopt an emergency operations plan that only meets state and federal requirements. Though the requirements are an essential component of the plan, it is also crucial the district evaluate specific hazards the district may potentially encounter and to plan for them through each of the four phases of emergency management.
4. Plan, Train, Drill and Assess with After-Action Reviews and “Audits”: Appropriate training, drills, and exercises are essential in planning for potential hazards. The audit process ensures districts are actively participating in drill and exercises and provides an opportunity to address strengths and weaknesses in policies and procedures.

Using these recommendations as guidelines, Luling ISD should identify a safety and security committee responsible for a school safety plan and regular safety inspections. The National Clearinghouse for Educational Facilities (NCEF) recommends that a safety assessment team include the school or district facility manager, principals or vice principals, school resource officer, head custodian, local fire, police, and rescue officials, and appropriate architectural, engineering, and security experts. NCEF also recommends that teachers and students help inspect areas they have special familiarity with, such as specialized classrooms and theater and backstage areas. It is also recommended that someone on the team has photography skills. If assembling a full assessment team is impractical, NCEF suggests that a key safety point person, such as the Maintenance director, interview key school staff to identify specific safety and security concerns and potential sources of trouble that otherwise might be missed.

The team or safety point person should develop a schedule to ensure that ongoing inspections/walkthroughs are being conducted on a monthly basis, identifying staff responsible for conducting and reporting on inspections. In Manor ISD, the assistant superintendent for business and operations conducts weekly safety inspections on a rotating basis so that every instructional facility is inspected once a month. The school principal and the district maintenance supervisor also participate in the inspections.

A school safety inspection checklist(s) should be developed to address the following areas: safety and security of site and building exterior; access control; safety and security of building interior; type and extent of monitoring and surveillance; communication and information security;

development of emergency operations plans; and school climate and culture. The NCEF provides Assessment Guides for assessing safety/security status relevant to specific types of facilities such as classrooms, offices, athletic facilities, science laboratories, and performance areas. In addition, the School Safety and Security Audit Toolkit developed by the Texas School Safety Center is nationally recognized tool for supporting districts in coordinating their safety and security efforts.

The district can implement this recommendation with existing resources.

FISCAL IMPACT

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2013–14	2014–15	2015–16	2016–17	2017–18	TOTAL	ONE-
						5-YEAR (COSTS) SAVINGS	TIME (COSTS) SAVINGS
CHAPTER 12: SAFETY AND SECURITY							
65. Develop and implement a plan for preventing unauthorized access to instructional facilities during and after school hours	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,600)
66. Develop emergency operating procedures and conduct staff training for implementation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67. Identify a safety and security team responsible for a school safety plan and regular safety inspections.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS–CHAPTER 12	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,600)