TRANSMITTAL LETTER

March 19, 2003

The Honorable Rick Perry, Governor
The Honorable David Dewhurst, Lieutenant Governor
The Honorable Thomas R. Craddick, Speaker of the House
Commissioner Felipe Alanis, Ph.D.

Fellow Texans:

I am pleased to present my performance review of the Matagorda
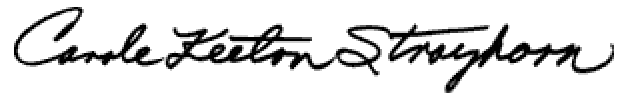Independent School District (MISD).

This review is intended to help MISD hold the line on costs, streamline
operations, and improve services to ensure that more of every education
dollar goes directly into the classroom with the teacher and children,
where it belongs. To aid in this task, I contracted with McConnell Jones
Lanier & Murphy, LLP.

I have made a number of recommendations to improve MISD's efficiency.
I also have highlighted a number of "best practices" in district operations-
model programs and services provided by the district's administrators,
teachers, and staff. This report outlines 18 detailed recommendations that
could save MISD $252,825 over the next five years, while reinvesting
$4,000 to improve educational services and other operations. Net savings
are estimated to reach $248,825 that the district can redirect to the
classroom.

I am grateful for the cooperation of MISD's board, staff, parents and
community members. I commend them for their dedication to improving
the educational opportunities for our most precious resource in MISD--our
children.

I am also pleased to announce that the report is available on my Window
on State Government Web site at
http://www.window.state.tx.us/tspr/matagorda/.

Sincerely,

Carole Keeton Strayhorn
Texas Comptroller

c: Senate Committee on Education
    House Committee on Public Education
    The Honorable Kenneth L. Armbrister, Texas Senate District 18
    The Honorable Glenda Dawson, Texas House of Representative District
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EXECUTIVE SUMMARY

In October 2002, Texas Comptroller Carole Keeton Strayhorn began a review of the Matagorda Independent School District (MISD). Based upon six months of work, this report identifies MISD's exemplary programs and suggests concrete ways to improve district operations. If fully implemented, the Comptroller's 18 recommendations could result in savings of $248,825 over the next five years.

Improving The Texas School Performance Review

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

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

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

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

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

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

TSPR in Matagorda ISD

Comptroller Strayhorn selected Matagorda for a review in August 2002 and onsite work began in October 2002. The Comptroller's office selected McConnell Jones Lanier and Murphy, L.L.P. a Houston-based firm to assist the agency with the review at a cost of $15,000. The review team interviewed district employees, board members, parents, business leaders and community members and held a public forum at Matagorda Elementary School on September 24, 2002 from 5:00 p.m. to 7:00 p.m.

To obtain additional comments, the review team conducted a focus group session with teachers. To ensure that all stakeholder groups had input, TSPR sent surveys to parents, central administrators and support staff.

A total of 96 surveys were administered. Thirteen administrative and support staff and 14 parents completed and returned written surveys as part of the review. Details from the surveys and the public forum appear in **Appendices A** through **C**.

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

MISD selected peer districts for comparisons based on similarities in student enrollment, student performance and community and student demographics. The selected peer districts were Marathon, Vysehrad and Sivells Bend ISDs. TSPR also compared MISD to district averages in TEA's Regional Education Service Center III (Region 3), to which Matagorda ISD belongs, and to the state as a whole.

During its six-month review, TSPR developed 18 recommendations to improve operations and save taxpayers $252,825 by 2007-08. Cumulative net savings from all recommendations (savings minus recommended investments or expenditures) would reach $248,825 by 2007-08.

A detailed list of costs and savings by recommendation appears in **Exhibit 4**. Many TSPR recommendations would not have a direct impact but would improve the district's overall operations.

Acknowledgements

Matagorda ISD

MISD is a small one-school rural district located along the Texas coast halfway between Corpus Christi and Galveston. Matagorda is primarily a fishing community. In 2001-02, the district served 79 students in pre-Kindergarten through Grade 6. MISD's students attend middle and high school approximately 25 miles away in the Bay City Independent School District.

MISD consists of one elementary campus that also houses the district's administrative offices. The district's 2001-02 operating budget exceeded $1.2 million. The district is also considered property wealthy with a 2001-02 property tax value per pupil of $1,045,285 compared to the state average of $234,607. Districts with a wealth per student at or above the benchmark of $305,000 are governed by Chapter 41 of the Texas Education Code and are considered a property rich school district that must send a share of their local tax funds to the state as part of the equalization of wealth provisions of law. MISD's 2002 tax rate is $1.43 per $100 value; $1.43 for Maintenance and Operations and $0.00 for debt service.

In 2001-02, MISD's students were 21.5 percent Hispanic, 73.4 percent Anglo and 5.1 percent African American. The district reported all 79 students as economically disadvantaged from 1999-2000 through 2001-02, due to a misreporting error in the PEIMS submission. The district estimates the real count to be close to 70 percent economically disadvantaged.

On August 1, 2002, the Texas Education Agency released the TAAS results for the 2001-02 school year. MISD received an overall *Academically Acceptable* rating, unchanged from its 2000-01 rating. The district's overall 2001-02 TAAS passing rate of 77.1 percent for all tests

taken is 8 percentage points lower than the statewide average of 85.3 percent.

Exhibit 1 details the demographic characteristics of MISD and its peer school districts. The ethnicity of teachers in MISD is 100 percent Anglo as of 2001-02.

Exhibit 1
Demographic Student Characteristics of MISD
And Peer Districts
2001-02

| District | Student Enrollment | Racial/Ethnic Percentage | | | | Percent Economically Disadvantaged |
		Percent African American	Percent Hispanic	Percent Anglo	Percent Other	
Marathon	76	0.0%	78.9%	21.1%	0.0%	69.7%
Matagorda	79	5.1%	21.5%	73.4%	0.0%	100.0%
Sivells Bend	55	0.0%	10.9%	89.1%	0.0%	49.1%
Vysehrad	77	0.0%	2.6%	97.4%	0.0%	41.6%
Region 3	**55,121**	**11.0%**	**43.3%**	**44.3%**	**1.3%**	**51.5%**
State	**4,146,653**	**14.4%**	**41.7%**	**40.9%**	**2.8%**	**50.5%**

Source: TEA, AEIS, 2001-02.

MISD served 79 students during 2001-02, a decrease of 8percent since 1997-98 (**Exhibit 2**).

Exhibit 2
MISD Student Enrollment History
1997-98 through 2001-02

School Year	Actual Student Enrollment	Percent Change from 1997-98
1997-98	86	N/A
1998-99	79	(8.14%)
1999-2000	83	(3.49%)

| 2000-01 | 85 | (1.16%) |
| 2001-02 | 79 | (8.14%) |

Source: TEA, AEIS, 1997-98 through 2001-02.

In addition, the district has 16 full-time employees as well as three part-time staff; 47 percent are teachers. The district's 2001-02 budget of approximately $1.2million, increased by 61 percent over the 2000-01 annual budget of more than $745,000. MISD spent 33 cents of every dollar on instruction in 2001-02, significantly lower than the 51-cent state average.

MISD recently experienced a leadership change due to the untimely death of the previous superintendent, Mr. Bill Whitworth, in June 2002. Mr. Richard Hildebrand has taken over as superintendent of the district effective August 12, 2002. Mr. Hildebrand came from outside the district previously serving as a principal in the neighboring Palacios Independent School District.

After five months, TSPR has found that MISD's greatest challenges include:

- enhancing student academic performance and programs;
- instituting sound business controls; and
- ensuring proper PEIMS data reporting.

Key Findings and Recommendations

Enhance Student Academic Performance and Programs

Use student assessment data to identify ways to improve student performance. MISD does not share state student assessment data with its teachers or use the data to identify instructional weakness and improve student performance. MISD periodically uses benchmark tests which determine students progress. Benchmark tests are sample tests that can be used to diagnose student performance in the fall semester. These results are used by teachers to modify instruction and improve academic performance. However, the use of benchmarks has been spotty at best. Routinely using state student assessment data to identify student and teacher needs will help improve student performance while holding teachers and the superintendent accountable.

Adopt policies and guidelines for the implementation of a Gifted/Talented program. MISD does not currently identify and provide services for Gifted/Talented (G/T) students. The new superintendent is

aware of this fact and is working to develop guidelines to bring the district into compliance with state guidelines during the 2002-03 school year. Making this a priority can ensure that gifted children are challenged and encouraged to reach their full potential.

Institute Sound Business Controls

Develop a fund balance management policy and require updates to the board. While MISD's financial position has significantly improved from previous years, the district does not have an effective fund balance management policy. The fund balance has gone from $922 in 1999-2000 to a deficit of more than $125,000 in 2000-01. In 2001-02, MISD built a fund balance of $362,999 by dedicating extra money received from the Option 3 Provision of Chapter 41, however the district lacks a policy to guide board and administrative decision-making. By establishing a fund balance management policy that requires monthly updates to the board, the board will understand how their decisions will increase or decrease the fund balance and will be able to better monitor administrative activities.

Develop a budget calendar and formal budget document. MISD does not have a budget calendar nor does the district have a formal budget document. The district's financial information is printed directly from Region 3's budget system and is presented by fund, function and object code, however the information is not organized and summarized in a manner that promotes understanding and analysis. The creation of a budget calendar and formal budget document will allow the board and administration to monitor spending and revenue trends, facilitate financial analysis and develop long-range spending priorities that are linked to the district's goals.

Strengthen internal controls by ensuring that appropriate segregation of duties. MISD's business manager performs accounts receivable, accounts payable and purchasing functions and handles the check writing and cash depositing activities for the district. While there have never been any reportable instances of impropriety or mismanagement in the business office, the existing practices make it possible for a single person to set up a payable and write a check without validation by a third party, thereby setting up an undetectable opportunity for impropriety. Requiring a third party validation will protect the district and the business manager from any perception of impropriety.

Develop standard personnel operating procedures. MISD does not have policies or operating procedures for personnel functions. In a small district like MISD, expertise becomes concentrated in one person, such as the superintendent. If that person leaves the district, little information would exist to document the reasons for certain decisions, and remaining

personnel may find it difficult to continue the tasks without assistance. Documenting processes and procedures for personnel related functions would make the district less reliant upon the expertise and knowledge of any one person in the district.

Ensure Proper PEIMS Data Reporting

Require multiple personnel to review PEIMS data before it is submitted to TEA to ensure reporting accuracy. MISD does not have a system of checks and balances in place to ensure the accuracy of information reported to TEA. During the review process, the new administration determined that previous PEIMS submissions regarding students classified as economically disadvantaged may have been incorrect. MISD went from reporting 53.2 percent of its students as economically disadvantaged in 1998-99, to 100.0 percent in 1999-2000 through 2001-02. PEIMS data is used in calculating state funding and accountability ratings, therefore accurate reporting could have significant impacts on the district's overall operation. By using multiple personnel to review the PEIMS data before its submission to TEA, the district can ensure proper state funding and accurate accountability ratings.

Exemplary Programs and Practices

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

- **MISD established an internal communication structure that allows information to flow quickly and thoroughly between the board and superintendent, thereby encouraging mutual respect.** MISD board members and the superintendent have an open-door communication process that encourages frank face-to-face discussions. Many school districts suffer from a lack of clear and open channels of communication between board members and the superintendent. The open communication structure established in MISD ensures that both board members and the superintendent understand and respect one another.

- **MISD's use of contract personnel has resulted in fiscal savings.** MISD has optimized some staffing resources for the technology, library and pre-kindergarten aide functions by using contract personnel. In a small district like MISD, personnel costs for

computer technicians and librarians can significantly contribute to the district's payroll cost. Contracting for these functions has allowed the district to save nearly $63,000 each year, which can the be invested in other programs and services for the students of the district.

- ***The district's learning lab promotes student success through supplemental and alternative instruction****.* In 2002-03, the superintendent and school staff cooperatively established a learning lab that is available to both regular and special education students allowing them help in subject areas they may be falling behind. The learning lab is staffed by a teacher that is certified both in special and regular education. Students can use the learning lab for help on an as-needed-basis, and it is stocked with computers and other educational tools.

- ***MISD entered into an inter-local agreement with a neighboring school district to swap surplus equipment.*** MISD participated in an inter-local agreement with neighboring Palacios Independent School District (PISD) to swap unused band instruments for computer hardware. Students in Grade 6 at PISD needed instruments for a music program and MISD needed extra computers for its elementary students. This swap not only proved beneficial for both districts but also promoted collaboration with a neighboring district.

- ***The district cooperates with community agencies to provide a safe and secure school environment for students.*** MISD has a disaster response plan that not only deals with natural disasters out, but also includes a response for a nuclear episode at the South Texas Power Plant located between Matagorda and the neighboring community of Palacios. In cooperation with a neighboring district and the county police, district staff are able to respond to even the most crucial safety needs in the district.

Savings and Investment Requirements

Many of TSPR's recommendations would result in savings and increased revenue that could be used to improve classroom instruction. The savings opportunities identified in this report are conservative and should be considered minimums. Proposed investments of additional funds usually are related to increased efficiencies or savings, or improved productivity and effectiveness.

TSPR recommended 18 ways to save MISD $252,825 in gross savings over a five-year period. Reinvestment opportunities will cost the district

$4,000 during the same time period. Full implementation of all recommendations in this report could produce net savings of $248,825 by 2007-08 (**Exhibit 3**).

Exhibit 3
Summary of Net Savings
TSPR Review of Matagorda Independent School District

Year	Total
2003-04 Initial Annual Net Savings	$49,765
2004-05 Additional Annual Net Savings	$49,765
2005-06 Additional Annual Net Savings	$49,765
2006-07 Additional Annual Net Savings	$49,765
2007-08 Additional Annual Net Savings	$49,765
One Time Net Savings (Costs)	$0
TOTAL SAVINGS PROJECTED FOR 2003-2008	**$248,825**

A detailed list of costs and savings by recommendation appears in **Exhibit 4**. The page number for each recommendation is listed in the summary chart for reference purposes. Detailed implementation strategies, timelines and estimates of fiscal impact follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions necessary to achieve the proper results. Some items should be implemented immediately, some over the next year or two and some over several years.

TSPR recommends the MISD Board of Trustees ask district administrators to review the recommendations, develop implementation plans and monitor progress. As always, TSPR staff is available to help implement the proposals.

Exhibit 4
Summary of Costs and Savings by Recommendation

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08	Total 5-Year (Costs) or Savings	One-Time (Costs) or Savings
Chapter 1: District Organization and Management							
1 Develop and adopt a comprehensive	$0	$0	$0	$0	$0	$0	$0

	long-range strategic plan. p. 20							
2	Obtain additional training to strengthen the board's understanding of its role and responsibility. p. 22	($800)	($800)	($800)	($800)	($800)	($4,000)	$0
3	Conduct an annual "State of the District Address" for community members and other stakeholders. p. 23	$0	$0	$0	$0	$0	$0	$0
4	Develop standard personnel operating procedures. p. 26	$0	$0	$0	$0	$0	$0	$0
5	Establish a system to ensure accurate reporting of Public Education Information Management System data to the Texas Education Agency p. 28	$0	$0	$0	$0	$0	$0	$0
	Total-Chapter 1	**($800)**	**($800)**	**($800)**	**($800)**	**($800)**	**($4,000)**	**$0**
Chapter 2: Educational Service Delivery								

6	Use student assessment data to identify ways to improve student performance. p. 35	$0	$0	$0	$0	$0	$0	$0
7	Move to a multi-grade assignment of teachers for low-enrollment grades. p. 37	$38,986	$38,986	$38,986	$38,986	$38,986	$194,930	$0
8	Adopt policies and guidelines for the implementation of a comprehensive Gifted and Talented program. p. 38	$0	$0	$0	$0	$0	$0	$0
9	Revise and implement a districtwide technology plan. p. 40	$0	$0	$0	$0	$0	$0	$0
	Total-Chapter 2	**$38,986**	**$38,986**	**$38,986**	**$38,986**	**$38,986**	**$194,930**	**$0**
Chapter 3: Financial and Operational Management								
10	Develop a fund balance management policy that requires regular board updates. p. 51	$0	$0	$0	$0	$0	$0	$0
11	Develop a budget calendar and formal budget	$0	$0	$0	$0	$0	$0	$0

	document. p. 54							
12	Develop procedures to improve financial management. p. 55	$0	$0	$0	$0	$0	$0	$0
13	Strengthen internal controls by ensuring appropriate segregation of duties. p. 56	$0	$0	$0	$0	$0	$0	$0
14	Systematically analyze financial data to identify opportunities for cost savings. p. 58	$0	$0	$0	$0	$0	$0	$0
15	Develop strategies to bring maintenance and operations costs in line with peer districts. p. 61	$5,331	$5,331	$5,331	$5,331	$5,331	$26,655	$0
16	Conduct an energy audit of MISD facilities and develop an energy management plan to lower costs. p. 62	$0	$0	$0	$0	$0	$0	$0
17	Develop timely, detailed financial statements for the Food	$0	$0	$0	$0	$0	$0	$0

	Service program. p. 69							
18	Reduce labor costs for the Food Service Operation. p. 71	$6,248	$6,248	$6,248	$6,248	$6,248	$31,240	$0
	Total-Chapter 3	**$11,579**	**$11,579**	**$11,579**	**$11,579**	**$11,579**	**$57,895**	**$0**
	Gross Savings	**$50,565**	**$50,565**	**$50,565**	**$50,565**	**$50,565**	**$252,825**	**$0**
	Gross Costs	**($800)**	**($800)**	**($800)**	**($800)**	**($800)**	**($4,000)**	**$0**
	Total	**$49,765**	**$49,765**	**$49,765**	**$49,765**	**$49,765**	**$248,825**	**$0**

Total Savings	**$252,825**
Total Costs	**($4,000)**
Grand Total	**$248,825**

Chapter 1
DISTRICT ORGANIZATION AND MANAGEMENT

This chapter reviews the district organization and management of Matagorda Independent School District (MISD) in the following sections:

A. District Organization and Management
B. Community Involvement Initiatives
C. Personnel Management

A school district's organization and management requires cooperation among the elected board, the superintendent and district staff. In addition, effective two-way communication between the school district and the community results in valuable community partnerships, increased parental involvement and more school volunteers. Finally, a district's personnel management system provides staffing analysis, recruiting, hiring, salary and benefit administration and performance evaluation.

BACKGROUND

MISD is a small rural elementary school district located on the Gulf coast roughly midway between Galveston and Corpus Christi. The district's history dates back to the Education Act of 1854, which set aside state land for public schools. Matagorda County was divided into six school districts and the first public schools opened at the city of Matagorda. Both the town and the school district are sparsely populated. Seventy-nine students attended the district's one pre-K through grade 6 elementary school during 2001-02.

Even though the state ranks MISD as a property rich district under Chapter 41, in 2001-02 all of its students were classified as economically disadvantaged. Texas funds school districts according to district wealth, which is determined by the assessed valuation of property taxes. After the County Appraisal District (CAD) sets a district's total assessed valuation, which is then validated by the State Property Tax Board (SPTB), the district's total assessed valuation is divided by the total number of students to determine its wealth per student. The Legislature periodically establishes a wealth benchmark to determine if a school district meets the criteria to be designated as a property rich or poor district, according to the guidelines of Texas Education Code (TEC) Chapter 41 or Chapter 42. Districts with a wealth per student at or above the benchmark fall under Chapter 41 and are designated as property rich school districts. Districts with a wealth per student below the benchmark are designated as property poor school districts and are governed by the provisions of Chapter 42. Accordingly, the state's funding formula is applied to each district. The

state requires Chapter 41 school districts to send a share of local tax monies to the state as a part of the equalization of wealth provisions stipulated by law. The higher the wealth, the more a school district must send to the state. Chapter 42 school districts receive monies from the state. The lower the wealth, the more monies a district will receive in state aid. MISD is a Chapter 41 school district and must send part of its local tax funds to the state.

According to the 2000 U.S. census, Matagorda County is home to 37,957 residents. Of these, 25,745 are Anglo, 11,898 are Hispanic and 4,829 are African-American. The median household in Matagorda County earns an income of $32,174, less than the statewide median household income of $39,927. Fifteen percent of Matagorda families fall below the poverty threshold, which outpaces the state figure of 12 percent. Matagorda County also exceeds the state rate for the percentage of impoverished households headed by a single female head of household. In Matagorda County, women serve as the single heads of households for 36 percent of the families living below the poverty level, compared to 29 percent statewide. **Exhibit 1-1** shows a profile of the district.

Exhibit 1-1
MISD Profile
2001-02

Total Number of Students	**79**
Total Number of Schools	**1**
Enrollment /Ethnicity Percent Breakdown	
Anglo	73.4%
African American	*
Hispanic	21.5%
Economically Disadvantaged	100.0%
2000-01 Rating	**Academically Acceptable**
2000-01 Attendance Rate	**96.9%**
2001-02 TAAS Pass Rate Percent of All Tests Taken	**73.7%**
Anglo	72.4%
African American	*
Hispanic	71.4%

Student-Teacher Ratio	**9.9:1**
Total Staff	**16 FTE**
Total Assessed Property Valuation	**$82,577,506**
Assessed Property Value per Student	**$1,045,285**
Tax Rate per $100 value	**$1.43**
Total Budgeted Expenditures	**$1,235,734**
Total Budgeted Expenditures/Pupil	**$15,642**

Educational, health and social services comprise the largest industry employers in the district with 19.3 percent of the labor force. Construction, transportation and warehousing and manufacturing constitute the next largest industries in the area, employing 11.7, 11.5 and 11.1 percent of the workforce, respectively. Among the civilian population, 26.5 percent maintain managerial or professional occupations, 21.1 percent are employed in sales or office positions and 16.7 percent work in construction, extraction and maintenance. The median family income in Matagorda County is $40,586, with a per capita income of $15,709 and a median household income of $32,174. Each of these figures falls below the state averages. **Exhibit 1-2** shows an economic profile of Matagorda County.

Exhibit 1-2
Economic Profile of Matagorda County
2000

Per Capita Income	**$15,709**
Family Income	$40,586
Median Household Income	$32,174
Percent of Workforce Employed by Industry	
Education, health and social service	19.3%
Construction	11.7%

Transportation and warehousing	11.5%
Manufacturing	11.1%
Percent of the Workforce Employed by Occupation	
Managerial and professional	26.5%
Sales and office	21.1%
Construction, extraction and maintenance	16.7%
Labor Force	
Total number in labor force	16,438
Civilian labor force	16,434
Armed forces	4
Population of 16 that is not in the labor force	11,598
Total number of people who are employed	15,054
Classifications of Workers	
Private wage and salary workers	11,340
Government workers	2,429
Self-employed workers operating unincorporated business	1,203
Poverty Status	
Number of families in poverty	1,496
Percent of impoverished families with children under 18	21.3%
Percent headed by a single female	35.7%
Total number individuals in poverty	**6,913**

Source: United States Census, 2000.

In addition to the economic and academic conditions listed in the preceding profiles, the district was confronted with the passing of former superintendent William "Bill" Whitworth in June 2002, who was replaced by current superintendent Richard Hildebrand on August 8, 2002.

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Even though the state ranks MISD as a property rich district under Chapter 41, in 2001-02 all of its students were classified as economically disadvantaged. Texas funds school districts according to district wealth, which is determined by the assessed valuation of property taxes. After the County Appraisal District (CAD) sets a district's total assessed valuation, which is then validated by the State Property Tax Board (SPTB), the district's total assessed valuation is divided by the total number of students to determine its wealth per student. The Legislature periodically establishes a wealth benchmark to determine if a school district meets the criteria to be designated as a property rich or poor district, according to the guidelines of Texas Education Code (TEC) Chapter 41 or Chapter 42. Districts with a wealth per student at or above the benchmark fall under Chapter 41 and are designated as property rich school districts. Districts with a wealth per student below the benchmark are designated as property poor school districts and are governed by the provisions of Chapter 42. Accordingly, the state's funding formula is applied to each district. The

state requires Chapter 41 school districts to send a share of local tax monies to the state as a part of the equalization of wealth provisions stipulated by law. The higher the wealth, the more a school district must send to the state. Chapter 42 school districts receive monies from the state. The lower the wealth, the more monies a district will receive in state aid. MISD is a Chapter 41 school district and must send part of its local tax funds to the state.

According to the 2000 U.S. census, Matagorda County is home to 37,957 residents. Of these, 25,745 are Anglo, 11,898 are Hispanic and 4,829 are African-American. The median household in Matagorda County earns an income of $32,174, less than the statewide median household income of $39,927. Fifteen percent of Matagorda families fall below the poverty threshold, which outpaces the state figure of 12 percent. Matagorda County also exceeds the state rate for the percentage of impoverished households headed by a single female head of household. In Matagorda County, women serve as the single heads of households for 36 percent of the families living below the poverty level, compared to 29 percent statewide. **Exhibit 1-1** shows a profile of the district.

Exhibit 1-1
MISD Profile
2001-02

Total Number of Students	**79**
Total Number of Schools	**1**
Enrollment /Ethnicity Percent Breakdown	
Anglo	73.4%
African American	*
Hispanic	21.5%
Economically Disadvantaged	100.0%
2000-01 Rating	**Academically Acceptable**
2000-01 Attendance Rate	**96.9%**
2001-02 TAAS Pass Rate Percent of All Tests Taken	**73.7%**
Anglo	72.4%
African American	*
Hispanic	71.4%

Student-Teacher Ratio	**9.9:1**
Total Staff	**16 FTE**
Total Assessed Property Valuation	**$82,577,506**
Assessed Property Value per Student	**$1,045,285**
Tax Rate per $100 value	**$1.43**
Total Budgeted Expenditures	**$1,235,734**
Total Budgeted Expenditures/Pupil	**$15,642**

Educational, health and social services comprise the largest industry employers in the district with 19.3 percent of the labor force. Construction, transportation and warehousing and manufacturing constitute the next largest industries in the area, employing 11.7, 11.5 and 11.1 percent of the workforce, respectively. Among the civilian population, 26.5 percent maintain managerial or professional occupations, 21.1 percent are employed in sales or office positions and 16.7 percent work in construction, extraction and maintenance. The median family income in Matagorda County is $40,586, with a per capita income of $15,709 and a median household income of $32,174. Each of these figures falls below the state averages. **Exhibit 1-2** shows an economic profile of Matagorda County.

Exhibit 1-2
Economic Profile of Matagorda County
2000

Per Capita Income	**$15,709**
Family Income	$40,586
Median Household Income	$32,174
Percent of Workforce Employed by Industry	
Education, health and social service	19.3%
Construction	11.7%

Transportation and warehousing	11.5%
Manufacturing	11.1%
Percent of the Workforce Employed by Occupation	
Managerial and professional	26.5%
Sales and office	21.1%
Construction, extraction and maintenance	16.7%
Labor Force	
Total number in labor force	16,438
Civilian labor force	16,434
Armed forces	4
Population of 16 that is not in the labor force	11,598
Total number of people who are employed	15,054
Classifications of Workers	
Private wage and salary workers	11,340
Government workers	2,429
Self-employed workers operating unincorporated business	1,203
Poverty Status	
Number of families in poverty	1,496
Percent of impoverished families with children under 18	21.3%
Percent headed by a single female	35.7%
Total number individuals in poverty	**6,913**

Source: United States Census, 2000.

In addition to the economic and academic conditions listed in the preceding profiles, the district was confronted with the passing of former superintendent William "Bill" Whitworth in June 2002, who was replaced by current superintendent Richard Hildebrand on August 8, 2002.

Chapter 1

A. DISTRICT ORGANIZATION AND MANAGEMENT

Although MISD differs significantly in size from larger school districts, the intent of its district organization and management functions remain the same as all districts, which is to provide leadership in the district's pursuit of its vision. In MISD, the vision of the district is for, "Students to be able to succeed and survive by developing pride, self-discipline, responsibility and self-sufficiency. Furthermore, it is the mission of Matagorda Elementary to improve the academic success of all students."

Achieving this mission and vision statement requires that the board and superintendent work together to provide sound financial stewardship, academic leadership and general oversight to ensure that the daily operations of the school are administered efficiently and effectively. This requires that members of the board and superintendent have a clear understanding of their roles as specified by the Texas Education Code (TEC).

The TEC Section 11.151 delineates the specific powers and duties of Texas school boards. Those duties specifically include the following:

- Govern and oversee the management of the district's public schools;
- Adopt such rules, regulations and by-laws as the board may deem proper;
- Approve a district-developed plan for site-based decision-making and provide for its implementation;
- Levy and collect taxes and issue bonds;
- Select tax officials appropriate to the district's needs;
- Prepare, adopt and file a budget for the next succeeding fiscal year and file a report of disbursements and receipts for the preceding fiscal year;
- Have district fiscal accounts audited at district expense by a Texas certified public accountant holding a permit from the Texas State Board of Public Accountancy following the close of each fiscal year;
- Publish an annual report describing the district's educational performance, including school performance objectives and the progress of each school toward these objectives;
- Receive bequests and donations or other monies coming legally into its hands in the name of the district;
- Select a depository for district funds;

- Order elections, canvass the returns, declare results and issue certificates of election as required by law;
- Dispose of property no longer necessary to operate the school district;
- Acquire and hold real and personal property in the name of the district; and
- Hold all powers and duties not specifically delegated by statute to the Texas Education Agency or the State Board of Education.

The MISD Board of Trustees consists of seven members who are elected from at-large districts and serve alternating three-year terms. The district conducts school board elections annually with either two or three members being elected for a three-year term. None of the board members expressed any dissatisfaction with the board composition, which is listed in **Exhibit 1-3**.

Exhibit 1-3
MISD Board of Trustees
2001-02

Name	Position	Title	Term Expires	Occupation
Bevil Carter	7	President	May 2004	Retired
Donald Simons	2	Vice President	May 2004	Operations Manager at a chemical plant
Elmer Latham	4	Secretary	May 2003	Fish Market Owner
Rachel Puryear	1	Member	May 2003	Teacher Supply Store Owner
Tami Williamson	3	Member	May 2003	Utility Company Manager
Terry Russ	5	Member	May 2005	Owner of Civil Engineering and Land Planning Business
Mervyn Davis	6	Member	May 2005	Retired

Source: MISD Board Secretary.

The board conducts regular meetings on the third Tuesday of each month beginning at 7:00 p.m. in the MISD boardroom located at 717 Wightman Street in Matagorda. The board also schedules special meetings and workshops as needed and conducts an executive session when required.

The meetings include a call to order and roll call. After the roll call, the board allows community members to address items on the agenda for five minutes although, according to three board members, there has only been one community speaker in the last three years. The superintendent prepares and presents the board agenda which he mails to each board member at least one to two weeks in advance of the monthly meeting. Each of the board members interviewed expressed satisfaction with this process and the method of adding items to the agenda.

The board operates as a committee of the whole and does not use subcommittees. However, the district does employ the services of a District Education Improvement Committee (DEIC) to generate the district improvement plan. In 2002-03, MISD has recently begun taking part in team building sessions and training. The board and superintendent attended Team of 8 classes to bolster the district's ability to work together as a team to make decisions as a unified corporate body.

FINDING

MISD's internal communication structure allows information to flow quickly and efficiently between the board and superintendent. This may be due to the small size of the district, but the board and superintendent still make a concerted effort to be professional and timely in their communication with each other. Despite the lack of a formal policy governing interaction between the board and the superintendent, the superintendent listed several ways in which the board has done an exemplary job of maintaining the lines of productive and constructive communication. Among these items of communication cited by the superintendent are:

- the board raises district concerns in private, not in public;
- most communication between the board and superintendent occurs face to face with very few phone calls;
- board members exhibit professionalism in discussing issues and do not promote personal agendas;
- after discussing differences, the board normally votes unanimously on agenda items to present a unified decision; and
- all board members are dedicated to doing what is best for the students.

Board members said they are very satisfied with the superintendent's communication processes. Each of the board members interviewed by the review team echoed the sentiments of one board member who said, "I know that if I bring something up I will have an answer by the next meeting. He lets us know everything." In addition, the board members said the superintendent:

- keeps the board well informed on all school operations;
- maintains an open door policy for board members to discuss issues at their discretion;
- ensures that board members receive board meeting agenda packets in plenty of time for their review before the upcoming board meeting; and
- follows through on information requests quickly and efficiently, relaying information to all board members.

A sound and constructive communication method contributes to the success of any district; however, it can be especially important in smaller districts where misinformation can travel extremely fast among a small population.

COMMENDATION

MISD has established an internal communication structure that allows information to flow quickly and thoroughly between the board and superintendent which encourages mutual respect.

FINDING

While the district has begun the process of strategic planning in 2002-03, MISD continues to focus its efforts on instructional planning. In a January 2003 meeting with district officials the district stated that it has begun the process of strategic planning using seven performance objectives. The first objective calls for parents to be full partners with teachers in the education of district students. The main goal of the new district strategic plan seeks to ensure that "Matagorda ISD will exceed state standards by providing a quality education so that all students can achieve their maximum potential." However, this plan still lacks long-term planning and budgeting for facilities, school buses and other large expense items in the midst of a changing student population. As a result, the district remains reactive, rather than proactive.

The district is currently making use of the District Improvement Plan (DIP) as the actual strategic plan but this makes for three primary problems. First, by using the DIP as the strategic plan, the board is brought into the planning process only at the approval stage instead of at the front end where they can lay the foundation and guiding principals that the ensuing plan should reflect. The establishment of the strategic leadership and goals for the district is one of the primary responsibilities of the board. Second, the use of the DIP as a strategic plan means that the district is not considering the needs and growth opportunities of the district in a completely integrated and whole fashion. The DIP is designed to address the instructional needs and resources of the district but does not set forth

provisions for improvements in technological, operations, capital or financial infrastructure. As a result, these additional needs of the district may either go unaddressed or become developed without consideration to the academic needs of the institution. Third, the DIP development process is not done in conjunction with the development of the annual budget. As stated by the superintendent, "There are no dollar signs in the plan." The lack of dollar signs in the plan increases the likelihood that the district will expose itself to self-created unfunded mandates or other financial consequences.

Every school district is confronted by the challenge of determining how to make the best use of limited resources to serve a wide and diverse range of needs. Creating the proper channels to address needs through the allocation of resources requires a comprehensive understanding of a district's vision, mission and goals.

A driving strategic planning process allows districts to inventory needs and identify solutions. As a result, the district is less likely to be impacted by an unforeseen crisis and can develop strategies that optimize resources. Strategic planning is defined as the means by which an organization creates comprehensive strategies to overcome barriers to success.

Creating a roadmap to span the gap between current performance and optimal performance requires that a district create a definition of optimal performance, which is called creating a vision of what stakeholders would like to see the organization become. The strategic planning process, including activities, purpose and analysis, is represented in **Exhibit 1-4.**

Exhibit 1-4
Elements and Benefits of a Long-Term Strategic Plan

Activity	Purpose	Benefit
Vision and mission setting.	Enables the district to answer the question, "What are we trying to accomplish?"	The process of visioning allows districts to set the bounds and philosophical grounding on which to base recommendations for improvement. The vision serves as the target which all policy decisions are designed to help the district reach.
Stakeholders identify barriers to accomplishment of vision and mission.	Provides an analytical and systematic approach to answer the question. "What	Identifying barriers informs the district what items require the development of strategies for solution.

	obstacles are preventing the organization from achieving its vision?"	
Create recommendations that address barriers to vision, based on stakeholder input.	Develops resolutions to the barriers to vision.	The recommendations for improvement help districts gain an understanding of what is needed to solve its problems.
Link recommendations to resources, such as the budget and personnel.	Linking recommendations to resources prevents the district from creating unfunded mandates.	The benefit of linking resources to recommendations is twofold. First, the district maintains financial integrity by ensuring it either has or will have the resources to implement a recommendation. Second, it serves as the basis for setting priorities during the budgeting cycle and general management of an organization.
Create performance and progress measures for recommendations.	To gauge the effectiveness of recommendations.	Gauging the effectiveness of recommendations informs an organization whether more or less resources are needed or if the recommendation is feasible in its current form.
Establish timelines and means of evaluating the implementation of recommendations.	Allows a district to create a calendar that helps manage resources and ensure timely implementation of recommendations.	Calendar and corresponding timelines for implementation monitor and ensure district is following its strategic plan.
Establish means and timeline to review and update plan on an annual basis during the life cycle of the plan.	Ensures the plan is institutionalized and relevant.	Regular reviews create a "living" document that is recognized and understood by stakeholders as the guiding force of district operations.
Compile recommendations, procedures for evaluation, timelines and data regarding	Provides one central and easily referenced document.	Single document allows readers to see the comprehensive direction of the district and also provides an overall view of

impacts on budget and personnel in single, bound document.		recommendations, resources, timelines and processes of evaluation.
Refer to document as the basis for governing policy decisions.	Links the daily operations of the district and its long term goals.	Ensures that the plan and daily management practices do not lose their relevance to the overall vision and mission of the district.

Recommendation 1:

Develop and adopt a comprehensive long-range strategic plan.

The elements of a strategic plan listed in **Exhibit 1-5** will allow for the creation of a comprehensive planning document. This is particularly useful for large organizations with many staff across a broad area since this document allows everyone access to the results and rationale of the plan. However, many smaller organizations may see benefit of implementing elements of this process in a modified version to take into consideration their particular needs and circumstance which may not necessitate such an exhaustive process. One way of modifying the elements to fit the scale of MISD is to undertake the following process detailed in **Exhibit 1-5**.

Exhibit 1-5
Framework for Implementing the Elements of a Long-Term Strategic Plan

Activity	Purpose	Benefit
Establish planning strategy.	Provides groundwork for the use of resources, time and effort for a successful planning process.	Planners can anticipate and overcome barriers to the planning process.
Notify stakeholders of the process, purpose and goals.	Allows stakeholders to provide input and assistance.	Gives stakeholders, who are vital to a successful plan, a sense of ownership and motivation.
Assign duties and responsibilities with timelines for completion.	Determines who will be accountable for producing the various elements of the plan.	Provides a single point of contact for each section covered by the plan.
Create and review	Evaluates the direction	Drafts help determine which areas

drafts of plan.	and progress of the plan to date.	of the plan are deficient and need additional attention before subsequent copies are produced.
Strengthen and review final draft plan.	Allows planners and stakeholders an opportunity to shore up any areas of weakness in the plan.	Rigorous reviews provide increased confidence regarding the feasibility, integrity and validity of the final product.
Formally adopt plan.	Institutionalizes the plan as the cornerstone of district operations.	Validates the plan and formalizes the relationship between the district and the recommendations contained in the document. Also gives stakeholders a reference point for future ideas for improvement.

Source: TSPR.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Board directs superintendent to create a process to oversee the comprehensive long-range strategic planning process with community input.	April 2003
2.	The superintendent solicits parents and community members to serve on a committee to revise the strategic planning process.	April 2003
3.	The superintendent, in conjunction with the committee, drafts a plan detailing the process by which the strategic plan will be developed.	May 2003
4.	The superintendent reviews the draft plan and presents it to the board.	June 2003
5.	The board approves the plan to create and adopt a comprehensive long term strategic plan.	July 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

While MISD board members have great communication and respect for one another, board member's understanding of their roles and responsibilities as policy makers is unclear. One example of this comes from the variance of responses received by the TSPR review team when

board members were asked what they understood their roles to be. The responses included:

- Watch the money.
- Make sure that the superintendent's rules are being enforced.
- Ensure that proper education is carried out for the district.

Although the board attends the TASB conference in February to receive continuing professional education (CPE) hours, they do not participate in any district orientation as a new board member. This can be of particular detriment since the board received two new board members in May 2002 who will have served nine months before their first opportunity to attend a TASB conference.

The board lacks a clear understanding of its role and responsibilities regarding budget and finance. In 2000-01, MISD faced a fund balance deficit of $125,910. In addition to this, the proper role of the board is to be the financial caretaker of the district and ensure that funds are spent responsibly and efficiently. While each of the board members interviewed commended the job that the superintendent is doing in making sure that MISD maintains fiduciary integrity, they also noted that the job of doing so is left exclusively to the superintendent. As a result, the district is not providing the sort of oversight required by board members in reviewing the finances of the district and must rely solely upon the efforts of the superintendent.

Another area of concern is the board members' understanding of their roles and responsibilities in their contact with district faculty and staff. Instead of working through the superintendent's office, several board members said they regularly interact with teachers to discuss concerns and gather information about classroom activities. While this may be a difficult thing to avoid given the small size of the district, the superintendent also noted that, "I am aware of the communication between the board and the teachers and am concerned but it is a balancing act in terms of making sure that the board and teachers have constructive communication. I encourage teachers to be the master of their classroom." One district staff member also told the review team that, "Some members of the board like to micromanage. I know we had problems in the past but I think they have been corrected and we are going in the right direction but we are not there yet."

Recommendation 2:

Obtain additional training to strengthen the board's understanding of its role and responsibility.

A good method of obtaining training at a reduced cost is to contact the Regional Education Service Center III (Region 3).

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board works in executive session to identify its weaknesses and identify training opportunities to address those weaknesses.	April 2003
2.	The board agrees on training opportunities that will be of greatest benefit to the group in addressing their identified weaknesses.	April 2003
3.	The board coordinates schedules to attend identified and agreed upon training sessions.	May 2003

FISCAL IMPACT

The district should be able to receive training from TASB for an annual cost of $800.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Obtain additional training to strengthen the board's understanding of its role and responsibility.	($800)	($800)	($800)	($800)	($800)

Chapter 1

B. COMMUNITY INVOLVEMENT INITIATIVES

Community involvement initiatives refer to district programs or policies to share information, gather stakeholder support or align district services to meet the community needs and expectations.

Maintaining a systematic and effective means of two-way communication with the community is an integral component to the overall success of a school district. Effective communication includes: accessible and ample opportunities for citizens to contribute ideas or criticisms, dedicated and consistent use of print and electronic media to disseminate information and interaction with the diverse groups represented in the community. An effective community involvement initiative ensures that the district reflects the desires of the community to educate district children.

FINDING

The district lacks a means of consistent two-way communication with community residents. Given its size the district does not issue a newsletter produced on a regular basis nor does it enjoy a large amount of community participation. The new superintendent is making an effort to increase communication with the community. As of January 2003, the superintendent had mailed three newsletters to parents for the 2002-03 school year.

Some districts conduct an annual address by the superintendent to the board and community members. During this session, often referred to as a "state of the district" address, the superintendent informs community members and stakeholders about district successes, current district issues and upcoming challenges. At the conclusion of the address, audience members ask questions, make comments or propose ideas for improvement. This community involvement benefits small districts by providing an opportunity for discussions between community members and district personnel. In addition, session ideas and comments on which the district acts, shows district concern for community issues and its willingness to respond to these issues. Finally, the district has an avenue for community feedback to ensure services and operations have local support, as well as an opportunity to directly address any community misconceptions or misinformation regarding district issues.

Recommendation 3:

Conduct an annual "State of the District Address" for community members and other stakeholders.

The address will:

- Provide an opportunity for two-way communication between the district and the community.
- Allow the district to actively engage and address the ideas and concerns raised by community members.
- Allow the district to directly address any misconceptions and misinformation, as well gather additional support for the programs and services of the district.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Superintendent begins work on "State of the District Address."	September 2003
2.	District faculty and staff promote the event by sending letters home with students and posting signs at school, library, post office, police station and other public venues.	September 2003 - December 2003
3.	Superintendent conducts "State of the District Address."	December 2003
4.	Superintendent conducts address on an annual ongoing basis.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1

C. PERSONNEL MANAGEMENT

The success of the school district depends on effective management of district personnel. A school district must have qualified and talented employees to facilitate and support the educational development of students. Since costs related to personnel typically constitute the largest district expenditure, it is important the district has efficient and effective personnel policies, processes and practices.

MISD district has 16 full-time employees (FTEs) and three part-time employees (PTEs). The district is headed by a superintendent that fills a dual role of elementary school principal. Most district staff report to the superintendent. The district has a Business manager, Food Service manager, full-time cook, Maintenance/Transportation director, custodian and a secretary who also serves as the school nurse. The district has a total of eight full-time teachers, six teachers serve Grades 1 through 6, one teacher teaches a combined Pre-K and Kindergarten class and another teacher is designated as the special education/alternative education teacher.

The district also employs one aide for physical education. Wednesdays a music teacher comes to MISD to assist the students with music. The school district contracts three employees; a Technology coordinator, library aide and one instructional assistant for Pre-Kindergarten. **Exhibit 1-6** shows the district organizational chart.

Exhibit 1-6
MISD Organizational Chart
2002-03
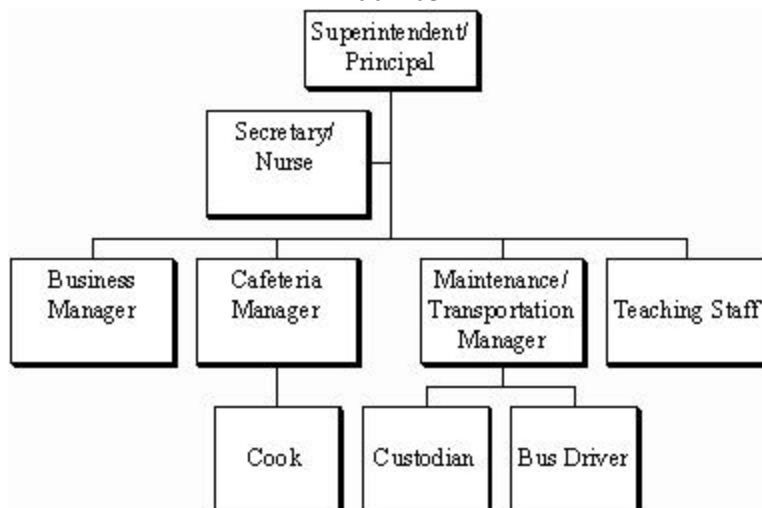
FINDING

MISD has optimized some staff resources for the technology, library functions and a pre-kindergarten aide position through the use of contract personnel. Full-time personnel for library and technology functions for a district with only 79 students could put an undue burden on the district's financial resources. By contracting these part-time functions the district saves significant funds. The technology contract consultant, a retiree with more than 30 years experience working with school districts and technology, originally approached the district in August 2002 as a volunteer. However, after a few weeks the board decided the volunteer should be compensated for personal financial costs he incurred and for his time. As a result, in September 2002, MISD agreed on a technology services contract at a cost of $90 a day, the equivalent of $15 an hour for three days a week until January 2003. Based on the contract rate, the district will have spent $5,400 by the end of January 2003, as opposed to the $30 per hour the district estimated as the market rate for the same services. As a result of the agreement, MISD also expects every district computer will be connected to the internet and that the district will have a Web site by the end of January 2003.

The technology contractor provides technical assistance to staff one day per week and as needed after his contract expires. The technology contractor also advises the district with decisions regarding technology needs and vendors. **Exhibit 1-7** depicts the district's savings resulting from the contracting of technology personnel services.

Exhibit 1-7
Annual MISD Savings from Technology Outsourcing

Cost Item	MISD Technology Outsource Cost	Market Rate Technology Service Contract Cost	Cost of Full-time District Employee for Technology Service
Salary	$5,400 ($15 per hour for 6 hours x 60 days)	$10,800 ($30 per hour for 6 hours x 60 days)	$44,880 ($30 per hour for 8 hours x 187 days)
Benefits	$0	$265 per month x 5 months	$265 per month x 12 months = $3,180

		=$1,325	
Total Cost	**$5,400**	**$12,125**	**$48,060**
Total Savings of Technology outsource		**$6,725**	**$42,660**

The district also saves monies by contracting its library functions. The superintendent said the district had been without a librarian for about a year and, as a result, the library was in shambles. The district hired one of its substitute teachers with the necessary skills to run the library on Monday, Wednesday and Friday. Although the district sometimes asks her to leave her post in the library to substitute teach, the library is her primary duty. She earns $45 per day to work 108 days per year, which amounts to $4,860 annually with no benefits.

The district saves itself the expense of hiring an instructional aide to work 187 days at a cost of $64 per day. This represents an annual expense of $11,968 in wages and $3,180 in benefits. **Exhibit 1-8** depicts the $15,148 in annual district savings. MISD is also realizing additional savings by employing an instructional aide who is only paid for the days she assists with the combined pre-K and kindergarten class, as opposed to hiring a full-time teacher for pre-K.

Exhibit 1-8
MISD Savings Resulting From Not Hiring An Instructional Aide

Cost	Current	Aide
Wages	$4,860 ($45 x 108 days per year)	$11,968 ($64 x 187days)
Benefits	$0	$3,180
Total	**$4,860**	**$15,148**

COMMENDATION

MISD's use of contract personnel for the technology, library and Pre-Kindergarten aide functions has resulted in fiscal savings.

FINDING

MISD does not have policies or operating procedures that reflect day-to-day instructions for personnel issues. According to board policy the

superintendent is responsible for finding, screening and interviewing all candidates for positions with the district. Once this process is complete, the superintendent presents a recommendation for hire to the board for final approval. The review team spoke to three board members who did not realize that this was the process. In addition, the district does not have any local policies or procedures in place governing protocols for promotion, demotion and termination.

Another factor of not having written procedures governing day-to-day personnel activities is that in a small district like MISD it becomes very easy for all of the expertise in managing these issues to be reliant upon a single person like the superintendent. As a result, if this individual were to leave the district suddenly during a time of employee recruitment, the district would suffer delays while trying to bring someone up to speed on the processes.

Recommendation 4:

Develop standard personnel operating procedures.

A standard operating procedures guide for personnel issues provides the district with an easily accessible reference to manage issues concerning personnel. The items addressed by the guide should include issues such as termination, promotion, the protocol and process for resolving employee disputes and recruitment. Creating such a document will make the district less reliant upon the expertise and knowledge of any one person in the district.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Board directs the superintendent to develop a personnel procedures guide.	April 2003
2.	The superintendent develops a draft of the guide and presents it to the board at executive session for their review, comments and edits.	June 2003
3.	The superintendent revises the guide based on board direction and presents it to the board for board approval.	July 2003
4.	Board approves use of the guide.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not have a system of checks and balances in place to ensure the accuracy of information reported to the Public Education Information Management System (PEIMS). PEIMS submissions made throughout the year serve as the district's reporting vehicle for the state's legislatively mandated accountability system.

During the review process the new district administration found that previous PEIMS submissions regarding students classified as economically disadvantaged may have been incorrect. MISD went from reporting 53.2 percent economically disadvantaged students in 1998-99 to 100.0 percent economically disadvantaged in 1999-2000 through 2001-02. This change occurred when the district changed to Provision II in food service, which allows the district to feed all students for free. Current administrators speculated that the former administration may have misunderstood the reporting process. The district is currently under investigation by TEA for data and reporting irregularities.

School districts' accountability ratings and funding are closely tied to the PEIMS data provided by the district. Peer district comparisons are made to determine if costs are in or out of line. PEIMS errors can result in costly funding errors and even loss of accreditation.

In most districts, the PEIMS submission process involves capturing and checking the data for accuracy before sending it to TEA. District PEIMS personnel routinely obtain authorizations from administrators who check data submissions for accuracy. Several people checking data for accuracy are more likely to catch errors involving simple mathematics, transpositions or irregularities of some kind.

Eagle Pass ISD (EPISD) implemented a detailed system of checks and balances that includes a published calendar of events for PEIMS submissions, annual training and internal preliminary reports generated every six weeks with required signatures by upper management. Every six weeks the staff must physically review and approve preliminary PEIMS reports including student, staff and program information. The same staff are then held accountable for data accuracy and are required to sign a final report at the end of each year stating that their cumulative reports were physically reviewed and authorized.

EPISD administrators say that this process has helped the district ensure both accuracy and accountability for data submissions. The district also has been able to ensure that the board along with administrators have an accurate portrait of budgeted funds for current year expenditures along with actual expenditures for previous years.

Recommendation 5:

Establish a system to ensure accurate reporting of Public Education Information Management System data to the Texas Education Agency.

The business manager should review all staffing, financial and instruction related data before it is submitted to TEA. The superintendent/principal should also check the information before the final PEIMS submission is logged by the secretary and formally reported. Using multiple personnel to ensure the verification of PEIMS data will help minimize the risk of reporting inaccurate information to PEIMS. A thorough internal review of all policies and procedures covering PEIMS data collection should be undertaken and steps implemented to ensure that employees take responsibility for the accuracy of the data. Checks and balances should be put in place to continually monitor the quality of the data reported to TEA.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent reviews the PEIMS submission process and ensures that the appropriate personnel approve the data.	April 2003
2.	The superintendent trains each person involved in the submission process on what is required before each PEIMS submission.	May 2003
3.	The superintendent and business manager monitor, check and sign-off on the PEIMS report prior to submission.	June 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
EDUCATIONAL SERVICE DELIVERY

This chapter reviews the educational service delivery functions of the Matagorda Independent School District (MISD) in the following sections:

A. Student Performance
B. Instructional Delivery and Resources
C. Gifted and Talented Education
D. Technology
E. Safety and Security

School districts must provide high-quality educational services as effectively and efficiently as possible. To do this, a school district must have an adequate process to identify student educational needs, programs to meet those needs and ways to measure performance as a result of these programs. Effective delivery of educational services requires a school district to make the best possible use of its human and financial resources.

BACKGROUND

MISD has a single campus that served 79 students pre-kindergarten through grade 6 in 2001-02. The district is currently in transition. A new superintendent joined the district in August 2002, after the previous superintendent died. The superintendent also serves as the school principal. In addition, the student population composition has changed over the last decade. **Exhibit 2-1** illustrates the district demographics. In a small school district, a shift in just a few students can substantially impact district demographics. The most significant change in MISD concerns the number of economically disadvantaged students-from 37.6 percent in 1994 to 100 percent by the year 2000. For 2000-01 through 2002-03, 100 percent of the MISD student population has been classified as economically disadvantaged. During the review, however, the district realized that 100 percent of its students were not economically disadvantaged and that this information had been reported in error to the Texas Education Agency's (TEA) Public Educational Information Management System (PEIMS).

Exhibit 2-1
MISD Student Demographics
1993-94 through 2001-02

Campus Student Composition	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02

African American	4.0%	3.1%	2.0%	1.0%	2.3%	1.3%	3.6%	5.9%	5.1%
Hispanic	8.9%	10.4%	12.7%	12.4%	10.5%	15.2%	15.7%	20.0%	21.5%
Anglo	87.1%	86.5%	85.3%	86.6%	87.2%	83.5%	80.7%	74.1%	73.4%
Economically Disadvantaged	37.6%	51.0%	53.9%	62.9%	52.3%	53.2%	100.0%	100.0%	100.0%

Source: TEA, Academic Excellence Indicator System (AEIS), 1993-94 through 2001-02.

Chapter 2
EDUCATIONAL SERVICE DELIVERY

A. STUDENT PERFORMANCE

TEA rates MISD as *Academically Acceptable*. MISD offers classes only through grade 6, so dropout rates do not impact the district's rating. MISD rated as *Exemplary* in 1997; however, since then, ratings have fluctuated between *Recognized* and *Academically Acceptable.*

The Texas Assessment of Academic Skills (TAAS) serves as the primary factor in determining a district's performance and accountability ratings. Districts administer TAAS in grades 3 through 8 and 10 in reading and mathematics. Grades 4, 8 and 10 are also assessed in writing, and grade 8 is assessed in social studies and science. An exit-level examination is given at grade 10.

Since MISD serves students only through grade 6, much of the rating system does not apply. **Exhibit 2-2** shows the TEA Accountability Rating Standards for 2002.

Exhibit 2-2
TEA Accountability Rating Standards
2002

	Exemplary*	Recognized*	Academically Acceptable/ Acceptable	Academically Unacceptable/ Low-Performing
Base Indicator Standards				
Spring 2002 TAAS Reading Writing Mathematics	At least 90% passing each subject area ("all students" and each student group*)	At least 80% passing each subject area ("all students" and each student group*)	At least 55% passing each subject area ("all students" and each student group*)	Below 55% passing any subject area ("all students" or any student group*)
Social studies	At least 90% passing each subject area ("all students")	At least 80% passing each subject area ("all students")	At least 50% passing ("all students")	Below 50% passing ("all students")

2000-01 Dropout rate	1% or less ("all students" and each student group*)	2.5% or less ("all students" and each student group*)	5% or less ("all students" and each student group*)	Above 5% ("all students" or any student group*)

Source: TEA Web site.
*Student groups consist of African American, Hispanic, Anglo and Economically Disadvantaged. If a district or campus would be rated Academically Unacceptable/Low-Performing solely because of a dropout rate exceeding 5 percent for a single student group (not "all students"), then the district will be rated Academically Acceptable/Acceptable if that single dropout rate is less than 10 percent and has declined from the previous year.

Exhibit 2-3 shows the ratings for MISD during the past six years.

Exhibit 2-3
MISD Accountability Rating History
1997 through 2002

District	1997	1998	1999	2000	2001	2002
MISD	Exemplary	Acceptable	Recognized	Acceptable	Recognized	Acceptable

Source: TEA, AEIS, 2001-02.

In 2002-03, the Texas Assessment of Knowledge and Skills (TAKS) will replace the TAAS in grades 3 through 11. Math will be assessed in grades 3 through 11. Reading will be assessed in grades 3 through 9, and English/language arts in grades 10 and 11. Writing will be assessed in grades 4 and 7; social studies in grades 8, 10 and 11; and science in grades 5, 10 and 11. The exit-level examination will be administered in grade 11. In MISD, grade 5 and grade 6 students will be tested for the first time.

Because of similarities in demographics, MISD selected Vysehrad ISD, Sivells Bend ISD and Marathon ISD as peer districts for comparison purposes.

Exhibit 2-4 lists the demographic characteristics of MISD students and those of its peer districts, Regional Education Service Center III (Region 3) and the state.

Exhibit 2-4
Demographic Characteristics of Students
MISD, Peer School Districts, Region 3 and State
2001-02

District	Student Enrollment	Percent African American	Percent Hispanic	Percent Anglo	Percent Other	Percent Economically Disadvantaged
MISD	**79**	**5.1%**	**21.5%**	**73.4%**	**0.0%**	**100.0%**
Vysehrad	77	0.0%	2.6%	97.4%	0.0%	41.6%
Sivells Bend	55	0.0%	10.9%	89.1%	0.0%	49.1%
Marathon	76	0.0%	78.9%	21.1%	0.0%	69.7%
Region 3	**55,121**	**11.0%**	**43.3%**	**44.3%**	**1.3%**	**51.5%**
State	**4,146,653**	**14.4%**	**41.7%**	**40.9%**	**2.8%**	**50.5%**

Source: TEA, AEIS, 2001-02.

Exhibit 2-5 shows that nearly 22 percent fewer MISD students passed TAAS when compared to Vysehrad ISD pass rate, and nearly 18 percent fewer MISD students passed compared to the Sivells Bend pass rate. MISD, which had the lowest percentage of students passing TAAS, in **Exhibit 2-5**, had the highest percentage of economically disadvantaged students.

Exhibit 2-5
Percent of Students Passing the TAAS
MISD and Peer Districts
2001-02

District Name	2001-02 Enrollment	Percent of Students Passing TAAS All Tests Taken
Vysehrad	77	98.0%
Sivells Bend	55	91.2%
Marathon	76	76.5%
MISD	**79**	**73.7%**

Source: TEA, AEIS, 2001-02.

FINDING

MISD does not use or share TAAS data with all teachers or use the data to identify instructional weaknesses or individual student needs. MISD also does not hold the principal and teachers accountable for student results. In an MISD teacher focus group, participants mentioned that when benchmark tests, which are sample tests that allow school officials to gauge student progress, were given on schedule, MISD ranked as *Recognized*. Successful districts administer benchmark tests beginning in the fall semester each year, and continue testing until the date of statewide accountability tests. This enables students to work toward meeting Texas Essential Knowledge and Skills (TEKS) requirements, before actual tests.

The participants said that when the district gave benchmark tests sporadically, the district dropped to *Academically Acceptable*. For 2002-03, the district had administered benchmark tests on October 3, 4 and 6 of 2002, and it intended to test again in February 2003.

Crystal City Independent School District (CCISD) implemented a districtwide benchmark testing program. As a part of this program, students were tested in fall 2000 and again in January 2001. CCISD used older TAAS versions for benchmarking. A software package developed by Region 20, AEIS-IT, generated an item analysis for individual students. Administrators and teachers used this information to determine which academic areas required attention.

Effective districts develop individual growth plans for teachers whose students fail to meet school achievement goals. Campus Improvement Plans (CIPs) focus not only on achieving goals, but also on school-specific strategies designed to improve student performance. Effective districts' superintendents and school boards make their educators responsible for reaching their goals, with regular reports that are given to the board in public meetings.

Regardless of size, all school districts receive the same TAAS reports. When used effectively by staff, these reports enable a district to improve student learning. MISD information management systems contain valuable data that teachers and administrators can use. **Exhibit 2-6** provides an example of the data analysis that some districts follow to improve student performance.

Exhibit 2-6
Example of Data Analysis

1. Analyze TAAS scores and test data from the previous three years and project scores for the next two years, by subject, ethnic group and

economically disadvantaged status for each school.
2. Prepare individual school profiles and distribute them to schools.
3. The principals and teachers review reports for their respective students.
4. The principals and teachers adjust teaching and curricula for areas of weakness.
5. The principals monitor changes in student performance in areas of weakness.
6. The curriculum and instruction staff deals with instructional strategies and monitors the student and academic performance of each school.

Source: MJLM.

By using individual school progress profiles and analyses that report TAAS scores, successful school districts adjust teaching techniques and curricula to address weak areas in their educational programs. These districts develop a student performance tracking system that collects and analyzes current data and projects future student performance. The districts also create individual school progress profiles and analyzes TAAS scores for three previous years and project TAAS scores for the next two years.

Based on TAAS passing rates, the projections suggest passing rates and amended district objectives, to help districts aims for 90 percent of students to score at the passing criterion of 70 or higher on each TAAS exam. The analysis is completed for all areas tested, for different ethnic groups and for economically disadvantaged students. The principal and teachers can use the data to address identified areas of weakness. This system has been a major factor in improving various district TAAS scores. Because the new TAKS is more rigorous, it is important that districts take added measures to improve student performance levels.

Recommendation 6:

Use student assessment data to identify ways to improve student performance.

Specific improvement plans and strategies should be developed for each at-risk or low-performing student. Principals and teachers should be held accountable for student performance. Individual growth plans should be developed for teachers whose students fail to meet stated school goals for achievement.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and teachers develop a district improvement plan (DIP), based on state student assessment data, that identifies student achievement goals and strategies to reach those goals.	April 2003
2.	The superintendent reviews the DIP for conformity to district objectives and relevance of identified strategies.	May 2003
3.	The superintendent presents the DIP to the teachers to discuss goals and strategies.	June 2003
4.	Teachers review their student profiles to identify which students are at-risk or are low-performing, and to develop initial strategies to address each student's needs.	June 2003
5.	The superintendent identifies how to evaluate the effectiveness of strategies such as scheduled benchmark testing, and how to implement them.	October 2003 and Ongoing
6.	The superintendent and teachers analyze how well the strategies have worked and what changes should be made to the next DIP.	August 2004
7.	The superintendent reviews information for the school and the proposed DIP modifications.	August 2004
8.	The superintendent finalize the district improvement plan DIP and recommended goals for 2003-04.	August 2004
9.	The superintendent identifies specific growth plans and expectations for teacher performance at the school and monitors the plan throughout the year.	August 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

B. INSTRUCTIONAL DELIVERY AND RESOURCES

A district that properly uses its resources, including its human resources, can help students achieve significant progress in their studies.

FINDING

In 2002-03, the superintendent and school staff cooperatively established a learning lab that is available to both regular and special education students and provides special assistance in all subjects for students who may be falling behind in certain courses. The teacher staffing the lab is a fully certified special education teacher with training in accelerated learning strategies and experience with students who have diverse learning styles. Students receive scheduled assistance and help on an as-needed basis. The district also provides computers and a variety of educational tools to support the efforts of the learning lab teacher and enhance the learning environment for the students.

In addition, students with discipline issues receive services through the learning lab rather than being placed in the Alternative Education Program (AEP). The district reported that discretionary placements in the AEP are almost non-existent and from 1999-2000 through 2001-02, MISD reported no discipline problems to TEA.

COMMENDATION

The district's learning lab promotes student success through supplemental and alternative instruction.

FINDING

The district needs to maximize all of its teaching resources. MISD has struggled financially for the past several years, so it must ensure that costs remain as low as possible, while improving academic results. In school districts budgets, personnel costs usually represent the highest percentage of expenditures. As a small district, MISD must be especially careful in determining staffing assignments.

MISD employs eight full-time equivalent (FTE) teachers and one part-time music teacher. In 2001-02, the grade 2 teacher and the grade 6 teacher each taught only eight students. **Exhibit 2-7** presents a breakdown of MISD teachers by grade level.

Exhibit 2-7
MISD Teacher Assignments
2001-02

Grade Level	Teacher Count	Enrollment by Grade	Student/ Teacher Ratio
Pre-Kindergarten and Kindergarten	1	12	12:1
Grade 1	1	10	10:1
Grade 2	1	8	8:1
Grade 3	1	17	17:1
Grade 4	1	12	12:1
Grade 5	1	12	12:1
Grade 6	1	8	8:1
Resource/AEP Teacher	1	-	-
Music Teacher (part-time)	0.5	-	-
Total	**8.5**	**79**	**9.3:1**

Sources: TEA, AEIS, 2001-02.

Small rural school districts often assign a teacher to more than one grade. These school districts evaluate their enrollment at the beginning of the school year and assign teachers according to enrollment, optimizing staff resources. By sharing lesson plans and other instructional resource materials, teachers can easily adjust to multi-grade-level assignments. MISD's pre-kindergarten and kindergarten teacher already successfully handle more than one grade.

Exhibit 2-8 presents total enrollment, total teachers and student/teacher ratios for MISD and peer districts. Vysehrad ISD has 5.8 teachers to teach 77 students in kindergarten through grade 8, while MISD has a combined total of eight FTE teachers to teach 79 students in pre-kindergarten through grade 6. Vysehrad ISD has 13.3 students/per teacher similar to that of the state (14.7), even though it is similar in size to MISD who has 9.3 students/per teacher. Vysehrad ISD is a *Recognized* district, demonstrating that good academic results can be achieved while controlling costs.

Exhibit 2-8
Teacher/Student Ratios

MISD, Peer Districts and State
2001-02

	MISD	Marathon	Vysehrad	Sivells Bend	State
Total Enrollment	**79**	76	77	55	N/A
Total Teachers	**8.5**	12.3	5.8	5.9	N/A
Student/Teacher	**9.3**	6.2	13.3	9.3	14.7

Source: TEA, AEIS, 2001-02.

Because funding for public education is based on the number of students in average daily attendance it is critical that staffing mirror student enrollment.

Recommendation 7:

Move to a multi-grade assignment of teachers for low-enrollment grades.

At the beginning of each school year, MISD should evaluate its enrollment by grade level and assign teachers to optimize staff resources.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent makes a recommendation to the board to eliminate one teaching position by assigning a teacher to teach grades 5 and 6 in 2003-04.	April 2003
2.	The superintendent notifies respective teachers regarding the decision to adjust contracts.	May 2003

FISCAL IMPACT

The average salary for MISD teachers is $33,986 plus $5,000 for fringe benefits. Eliminating one teacher would save MISD $38,986 per year for a total of $194,930 over five years.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Move to a multi-grade assignment of teachers for low enrollment grades.	$38,986	$38,986	$38,986	$38,986	$38,986

Chapter 2

C. GIFTED AND TALENTED EDUCATION

Texas state law requires all school districts to identify and provide services for gifted and talented (G/T) students. The State Board of Education (SBOE) plan (adopted in 1996 and revised in 2000) provides direction for the refinement of existing services and for the creation of additional curricular options for G/T students.

FINDING

MISD does not comply with the state plan for providing services to gifted and talented students. An interview with the superintendent and a focus group meeting with teachers revealed that the district does not identify or serve any G/T students, nor does it have a G/T policy or procedures. The superintendent is working to develop guidelines that will bring the district into compliance in 2002-03.

State law requires that all districts have policies to implement a G/T program, including identification and selection of the students. It also requires that each teacher and administrator annually receive six hours of instruction in administering the G/T program. Failure to do so can trigger a District Effectiveness Compliance audit that could result in accreditation sanctions if the district remains out of compliance.

Recommendation 8:

Adopt policies and guidelines for the implementation of a comprehensive Gifted and Talented program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent contacts Region 3 for sample G/T policies.	April 2003
2.	The superintendent recommends a G/T policy to the board.	May 2003
3.	The board adopts the G/T policy.	June 2003
4.	The superintendent develops guidelines and procedures based on the adopted G/T policy.	August 2003- October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

D. TECHNOLOGY

The state supports a number of efforts to encourage the use of technology in school districts including the student Technology Allotment, the Telecommunication Infrastructure Fund (TIF) grant and the Technology Integration in Education (TIE) grant. TIF grants provide funding for the development of computer infrastructure, distance learning and technology-related training. TIE grants provide support for developing and maintaining administrative and technology infrastructure and educator preparation. These grants have allowed even the smallest school districts to develop sophisticated computer networks and computer labs.

FINDING

MISD entered into an interlocal agreement with a neighboring school district to exchange unused equipment. Under state funding formulas, Chapter 41 school districts like MISD must send some money to the state for distribution to less wealthy school districts. In order to reduce costs to help pay funds to the state, MISD eliminated its instrumental music program for grade 6.

To replace the instrumental music program, MISD now offers a choral music program, saving the district money in capital outlay for musical instruments and for their upkeep. This change left the district with an inventory of unused instruments. At the same time, Palacios ISD had computers that needed updating for secondary use, but could still be used by elementary students. An interlocal agreement allowed these districts to exchange equipment at no cost, but documents the ownership change from one entity to the other. Palacios ISD needed the musical instruments for its grade 6 program, and MISD needed the computers for its elementary students. MISD received 40 old computers, which it reconfigured to 20 computers with increased memory and software processing abilities. The remaining computers will be used for spare parts.

COMMENDATION

MISD entered into an interlocal agreement with a neighboring school district to swap surplus equipment between districts, to their mutual benefit.

FINDING

MISD does not have an up-to-date technology plan. Good technology plans include an overall technology vision and clear goals, objectives and action plans for technology projects. Such plans assign individual responsibility for their implementation and set milestone dates for completing the steps.

MISD's contracted technology resource consultant prepared a report for the superintendent and the board on the district's technology equipment. Although the district owns two servers, neither are in use. In addition, the districts could not locate licenses for the software on the server. Teachers and staff cannot communicate through email until the district installs a local area network (LAN). Loading the networkable software onto each computer instead of a server causes increased expense and a greater potential for error. MISD does not have its own Web site, an active firewall to comply with the Child Internet Protection Act or any virus protection.

Although E-rate funding eligibility allows federal funding up to 90 percent, MISD has not used its maximum savings ability. As a result of the way MISD requested funding, the district paid two sources for the same service. MISD paid Region 3 and the Texas Department of Information Resources for Internet service. In addition, the district does not have an uninterruptible power supply for its computers or a data backup system.

MISD meets the state-required ratios of computers to students. Each classroom has at least three computers for the teachers and students to use as a learning center, and additional computers are available in either the classroom or in the computer lab.

Recommendation 9:

Revise and implement a districtwide technology plan.

MISD should update its technology plan to include an overall vision for the district that includes clear goals, objectives and action plans for technology projects. Priorities include obtaining the appropriate software licenses, installing a local area network and an active firewall, developing a district Web site and applying for E-rate funding.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent reviews the existing technology plan with the contract technology resource consultant to determine which parts of the plan have not been implemented.	April 2003

2.	The superintendent reviews the technology status report given to the board in October 2002 to determine what to include in the new technology plan.	April 2003
3.	The superintendent, in conjunction with the teachers and the technology resource staff, develops and updates the district technology plan.	May - July 2003
4.	The superintendent implements the technology plan each year.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

E. SAFETY AND SECURITY

Providing a safe and secure environment for students, teachers and other school district employees is a critical task in any district. The 1995 Texas Legislature addressed school violence by establishing major safety and security-related revisions in the Texas Education Code (TEC).

According to the TEC, each school district must adopt a student code of conduct with the advice of a district-level committee. Students who engage in serious misconduct must be removed from regular education settings and placed in alternative education programs, and specific information concerning the arrest or criminal conduct of students must be shared between law enforcement and local school districts.

School district safety and security programs must incorporate prevention, intervention and enforcement, as well as seek cooperation with municipal and county governments. Discipline management and alternative education programs are key tools in this process.

Maintaining a safe and secure educational environment requires comprehensive planning, policies and programs that address all students' needs. Under the provisions of the TEC, each Texas school district must adopt a student code of conduct that outlines standards for student behavior, categorized by level of offense.

FINDING

MISD cooperates with community agencies to provide a safe, secure school environment for its students. According to the superintendent and staff, there have been no reportable security or safety incidents in the last few years. However, due to current nationwide security concerns, the district follows prudent practices that fit its needs and its resources.

MISD has a county police officer who patrols the campus at least one day per week. The district closely supervises its students with teachers and other adults keeping a watchful eye throughout the day, especially as students arrive on campus or leave with their parents at the end of the day.

The district has a disaster response plan in the event of a nuclear episode from the South Texas Power plant in addition to natural disasters, accidents and threats. The procedure calls for the students to be taken by bus to Bay City Jr. High School for decontamination procedures and then

transferred to an elementary school in Bay City to be picked up by their parents.

Although no one is guaranteed safety in any public place, MISD has instituted appropriate precautions and policies, and the staff is aware of its responsibilities during emergencies.

COMMENDATION

MISD cooperates with community agencies to provide a safe, secure school environment for its students.

FINDING

MISD has a comprehensive, up-to-date student handbook that is provided to all students. The handbook's introduction states "this student handbook is published to provide information useful in understanding the policies of Matagorda Independent School District, its customs, traditions and governing rules and regulations." The handbook includes a wide variety of information, including how animals are to be handled in the classroom to the 21 rules for dress and grooming, tutorials and policies on visitors to the district. The student code of conduct is integrated into the student handbook, making it clear to all students and their parents what behaviors are and are not acceptable.

The handbook is well planned, organized and well thought out. The handbook's success is demonstrated in part, by **Exhibit 2-9**, in which the district has reported no disruptive or inappropriate behavior in the last three years.

Exhibit 2-9
Safe and Drug-Free Schools and Communities Program
Annual Evaluation Report Part III: Program Performance Measures
LEA Program Specific Indicators Incident Counts for MISD

PEIMS Disciplinary Action Reason	MISD	1999-2000				2000-01				2001-02			
	Type of Incidents	Elem.	Middle/ Jr. High	High School	Total	Elem.	Middle/ Jr. High	High School	Total	Elem.	Middle/ Jr. High	High School	Total
1	Disruptive behavior	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
2	Conduct punishable as a felony	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
4	Possessed, sold or used marijuana or	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**

	other controlled substance											
5	Possessed, sold, used or was under the influence of an alcoholic beverage	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
6	Abuse of glue or aerosol paint	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
7	Public lewdness or indecent exposure	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
8	Retaliation against school employee	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
9	Conduct occurring off campus while student is not in attendance at school related activity for felony offenses in Title 5	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
10	Conduct occurring off campus while student is not in attendance at school related activity for felony offenses not in Title 5	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
11	Used, exhibited or possessed a firearm	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
12	Used, exhibited or possessed a illegal knife	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
13	Used, exhibited or possessed a club	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
14	Used, exhibited or possessed a prohibited weapon	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
16	Arson	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
17	Murder, capital murder, criminal attempt to commit murder or capital murder	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
18	Indecency with a child	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
19	Aggravated kidnapping	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**

Code	Description											
20	Serious or persistent misconduct violating the student code of conduct while placed in alternative education program	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
21	Violation of student code of conduct not included in codes 33 and 34	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
22	Criminal mischief	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
23	Emergency Placement\Expulsion	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
26	Terroristic threat	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
27	Assault against a school district employee or volunteer	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
28	Assault against someone other than a school district employee or volunteer	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
29	Aggravated assault against a school district employee or volunteer	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
30	Aggravated assault against someone other than a school district employee or volunteer	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
31	Sexual assault or aggravated assault against a school district employee or volunteer	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
32	Sexual assault or aggravated assault against someone other than a school district employee or volunteer	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
33	Possessed, purchased, used or accepted a cigarette or tobacco product (Code 33)	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**

34	School-related gang violence (Code 34)	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Totals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: TEA, PEIMS, 1999-2000 through 2001-02.
Note: TEA eliminated PEIMS disciplinary action reasons 3, 15, 24 and 25.

COMMENDATION

The district has developed a comprehensive student handbook that integrates its student code of conduct and lets all students, teachers and parents know what is expected of MISD students.

Chapter 3

School districts play a critical role in educating children and preparing them to become productive members of society. School districts must have strong, cost-effective financial operations if they are to succeed in their educational role. The financial functions of a school district include planning, budgeting, fiscal and purchasing operations.

Efficient, effective school operations and quality pupil services support a school district's educational mission. For children to learn, districts must maintain their facilities to create an environment conducive to learning. Districts need to provide students with safe transportation to and from school. School districts are also responsible for providing students nutritious and appealing food.

BACKGROUND

A district's size, location and available financial resources influence financial and operational management processes. Small rural school districts often entrust individuals with multiple financial or operational functions.

MISD employs one person as a superintendent/principal who manages the district's financial and operational functions. The district's business manager, maintenance manager/bus driver, cafeteria manager and secretary all report to the superintendent/principal.

The business manager handles the district's accounting and is responsible for the budget process, accounts payable and receivable, payroll, purchasing, banking activities and tax collections. The business manager also manages the district's health, workers' compensation and property insurance programs.

The maintenance manager/bus driver ensures performance of day-to-day maintenance at MISD's school and drives one of the district's two school buses. The maintenance manager/bus driver also supervises a part-time bus driver and a full-time custodian. Normally, MISD relies on the superintendent to drive a school bus if one of the regular drivers is not available. The current superintendent does not drive a bus yet because the superintendent does not have a commercial vehicle license, which he is working toward.

The cafeteria manager operates the district's food service program. The cafeteria manager's major responsibilities include ordering food, cashiering and processing paperwork and reimbursement forms from the

National School Lunch Program (NSLP). One cook supports the food service cafeteria manager.

The school secretary also acts as the school nurse. Her secretarial duties include managing the office, taking attendance, filing and handling district and board correspondence.

Exhibit 3-1 shows the organizational structure that supports MISD's financial and operational management functions.

Exhibit 3-1
MISD's Financial and Operational Management
Organization
2002
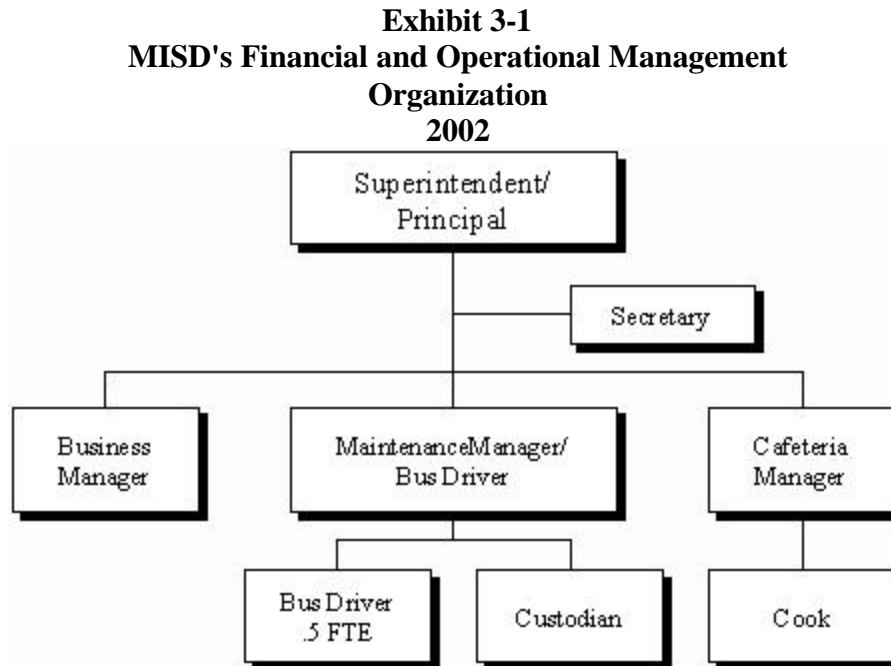
Source: MISD Superintendent's Office, October 2002.

Small school districts often lack long-range planning and have limited access to products and services that larger districts take for granted. With one school, a 2001-02 enrollment of 79 students and a budget of about $1.3 million, MISD is one of the smallest districts in Texas. The district classifies 100 percent of its students as economically disadvantaged, compared to an average of 49 percent statewide. The district has determined that this is a PEIMS reporting error.

MISD receives funding from federal, state and local revenues. State revenues are determined by complex state funding formulas designed to equalize funding across the state. These formulas take local property values and tax rates, student populations, average daily attendance and other factors into consideration. Local revenues consist primarily of local property taxes but also include revenues from intermediate sources like

counties, municipalities and utility districts. Federal revenues come primarily from grants.

MISD's actual financial statements for 2000-01 show revenue of $933,598 and expenditures of $1,310,402. Actual financial statements for 2000-01 also show that the district received 87 percent of its funding from local tax revenue, 6 percent from local and intermediate sources and 7 percent from state sources. The district allocated the most money for instruction-33 percent. The district spent 33 cents of each dollar on classroom instruction; the state average is 51 cents per dollar.

The district's financial statements also show that MISD's expenditures exceeded its revenues by $376,804 in 2000-01. The district's audited financial statements showed a deficit fund balance on August 31, 1999 of $54,082, a positive fund balance of $922 on August 31, 2000 and a deficit fund balance of $125,910 on August 31, 2001. **Exhibit 3-2** presents MISD's actual financial results for 2000-01 and historical fund balance for the fiscal years ending 1998-99 through 2000-01.

MISD exceeds its budgets for two reasons. First, the district has poor budget control and the board does not have a policy concerning deficit spending. Second, the district is classified as a Chapter 41 district concerning rules on state funding.

The Texas state government currently funds school districts according to their district wealth as determined by the assessed valuation of property taxes. The County Appraisal District (CAD) determines the district's total property valuation and the State Property Tax Board (SPTB) verifies this number. The state then divides the assessed valuation number by the total number of students in the district to determine the district's wealth-per-student. If a district has a high wealth-per-student, Chapter 41 of the Texas Education Code requires the district to send part of their local tax revenue to the state. The state redistributes this money to poorer school districts. The paradox for MISD is that it has a high property valuation but the state categorizes the district's entire student body as economically disadvantaged.

The state funding regulations have a provision that allows school districts that are categorized as Chapter 41 to qualify for Option 3 Provision if the districts don't offer all grades between kindergarten and grade 12. The Option 3 Provision enables wealthy school districts to purchase weighted average daily attendance (WADA) from a less wealthy school district. This can reduce the wealthy districts wealth-per-student enough to allow it to qualify for additional state funding. Because MISD only offers classes from pre-kindergarten to grade 6, the district qualifies for the Option 3

Provision. The district applied for state funding under the Option 3 Provision in August 2002.

MISD budgeted $1.3 million in total revenue for 2001-02 and $1.2 million in total expenditures. **Exhibit 3-2** details the revenue and budget.

Exhibit 3-2
MISD Financial Information/General Fund Only
2000-01 and 2001-02

	2000-01		2001-02	
	Actual	**Percent**	**Budget**	**Percent**
REVENUES				
Local Tax	$822,124	87%	$1,224,291	95%
Other Local and Intermediate Sources	$54,066	6%	$12,000	1%
State Program Revenues	$57,408	7%	$18,285	1%
Federal Program Revenues	$0	0%	$31,500	3%
Total Revenues	**$933,598**	**100%**	**$1,286,076**	**100%**
EXPENDITURES				
Instruction	$433,088	33%	$398,326	34%
Instructional Related Services	$3,908	0%	$2,500	0%
Curriculum/Staff Development	$1	0%	$200	0%
Instructional Leadership	$0	0%	$0	0%
School Leadership	$79,702	6%	$61,300	5%
Guidance Counseling Services	$0	0%	$0	0%
Social Work Services	$0	0%	$0	0%
Health Services	$0	0%	$0	0%
Transportation	$27,927	3%	$28,156	2%
Food Services	$0	0%	$0	0%
Co-curricular Activities	$46	0%	$235	0%
General Administration	$104,609	8%	$162,857	14%
Plant Maintenanc e/Operation	$106,739	8%	$106,611	9%
Security/Monitoring	$0	0%	$0	0%

Data Processing Services	$1,782	0%	$1,500	0%
Debt Service	$279,142	21%	$156,000	14%
Capital Outlay	$24,992	2%	$110,000	9%
Intergovernmental Charge	$248,466	19%	$154,000	13%
Total Expenditures	**$1,310,402**	**100%**	**$1,181,685**	**100%**
Excess (Deficiency) Revenues Over (Under) Expenditures	**($376,804)**		**$104,391**	
General Fund Balance as of 8/31/01	($125,910)		*Not Applicable*	
General Fund Balance as of 8/31/00	922		*Not Applicable*	
General Fund Balance as of 8/31/99	($54,082)		*Not Applicable*	

Source: TEA, AEIS, 2000-01 and 2001-02 and MISD Financial Audits for 1998-99 through 2000-01.

Chapter 3

A. PLANNING AND BUDGETING

An effective school district budget links spending plans to strategic goals, priorities and initiatives established by the school board. School district budget development becomes a collaborative effort requiring the input, participation and cooperation of various individuals and groups across the district. A school district budget reflects the financial stewardship of the administration, the board and the local community.

FINDING

While MISD's financial position has significantly improved from previous years, the district does not have an effective fund balance management policy. The district's fund balance fluctuated greatly between 1999-2000 and 2001-02.

A district's fund balance serves as a key indicator of its financial condition. The fund balance is simply the difference between the district's assets and its liabilities. School districts establish fund balances (also called reserve balances) that work as savings accounts. The funds are available to pay for emergency expenses and allow the district to build up savings for large purchases not affordable in a single year.

Prudent financial management requires the accumulation of a general fund balance large enough to cover any cash outflows not offset by corresponding cash inflows (which can occur in nearly all schools during the fiscal year). TEA recommends optimum fund balances for the general fund to school districts.

Exhibit 3-3 shows MISD's ending general fund balance from 1999-2000 through 2001-02 compared to TEA's recommended optimum balance. The district fund balance dropped from $922 in 1999-2000 to a deficit of more than $125,000 in 2000-01. In 2001-02 the district accumulated a fund balance of $362,999.

Exhibit 3-3
MISD's General Fund Year Ending Balance
1999-2000 through 2001-02

	1999-2000	2000-01	2001-02
District Ending Fund Balance	$922	($125,910)	$362,999

TEA Optimum Fund Balance	$85,000	$98,400	$75,000
Excess/(Deficit)	($84,078)	($224,310)	$287,999

Source: MISD's audited financial statements 1999-2000 through 2001-02.

MISD greatly benefited from the extra revenues it received under the Option 3 Provision of Chapter 41 of the school funding code. Option 3 provision allows a district to purchase weighted average daily attendance (WADA) from another district. MISD qualified for additional state funds in 2001-02 under Option 3, allowing it to achieve a positive fund balance for the year. WADA is the average daily attendance-the number of students who attend school each day divided by the number of school days-adjusted to the extent that students participate in special programs. Schools are in part funded based on their WADA numbers. The superintendent told the review team that one of the board's main priorities was to build up the district's fund balance from the deficit it experienced in 2000-01.

The board does not have established goals that dictate what the district's fund balance should be at all times. The district lacks a policy to provide the superintendent with clear expectations to increase revenues or decrease expenditures. This policy enables superintendents to keep the fund balance at its optimum level.

The board needs to be aware of the district's current fund balance. This will help the board gauge how financial decisions it makes will affect the fund balance. Otherwise, actions taken by the board can slowly eat away at the fund balance without the knowledge of district and board officials.

Many districts closely monitor the impact that every decision has on their fund balance. These districts present the board with impact statements on fund balance so that the board is aware of the financial consequences of their decisions. Monthly financial reports highlight the fund balance and contain a revised projection for the ending fund balance based on current revenue and expenditure patterns.

Recommendation 10:

Develop a fund balance management policy that requires regular board updates.

This policy should establish the district's optimum fund balance. The policy should provide the superintendent with clear directions as to how to increase revenues or decrease expenditures in order to meet the district's fund balance goals.

The policy needs to establish reporting requirements that keep the board informed about the status of the fund balance. In every board packet, the superintendent should include a summary of the beginning fund balance, the month's revenues, the month's expenditures and the ending fund balance. The superintendent should explain any significant events that have had a major impact on the fund balance during that month. This will ensure that the board and district administration are always aware of the financial position of the district. By establishing a fund balance management policy the board will understand how their decision will increase or decrease the fund balance

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and business manager draft a fund balance management policy.	May 2003
2.	The superintendent presents the plan to the board for approval.	June 2003
3.	The board approves the policy and directs the superintendent to implement it.	July 2003
4.	The business manager develops the required reports that will be submitted to the board.	August 2003
5.	The business manager prepares the reports for the board.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not have a budget calendar or a formal budget document. MISD's budget consists of financial information printed directly from the Region 3 budget system on green bar paper, which is difficult to understand. The report presents budget information by fund, function and object code. But the report does not organize and summarize the information in a form that enables board members to understand or analyze it.

A formal budget calendar becomes an important planning tool, because it establishes specific tasks, responsibilities and deadlines for completing the budget process. A formal budget document enables districts to compare current and historical financial information. Because of a small district's limited financial resources and the impact a small change in revenue can

have on a district's financial situation, a budget calendar and formal budget document can provide critical tracking and analytical tools.

A budget calendar shows all the steps necessary to develop and adopt the budget within the time established by law. The calendar also guides the superintendent and the board from year to year to ensure the continuity of the budget process. Without a budget calendar, the district might miss important dates or tasks. **Exhibit 3-4** presents a sample budget calendar for a small district.

Exhibit 3-4
Sample Budget Calendar

Month	Activities	Parties Involved
February	Approve process. Review staffing and salary schedules. Project enrollment. Develop revenue estimates. Initiate campus budget preparation.	Superintendent; chief financial officer; principals, staff; and Campus Advisory Council.
March	Prepare organizational chart with employees listed by job and minimum staffing requirements by job description. Obtain input from District Advisory Council. Adopt salary schedule. Review initial campus budgets. Obtain community input.	Superintendent; chief financial officer; principals, staff; District Advisory Council; Board of Trustees; and community forum.
April	Submit final campus and program budgets to central office for review and approval. Obtain additional community input.	Superintendent; chief financial officer; principals, staff; Campus Advisory Council; District Advisory Council; Board of Trustees; and community forum.
May	Conduct first budget workshop with the board. Complete second budget draft. Conduct second board workshop. Obtain final District Advisory Council and community input. Complete third draft. Conduct third board workshop.	Superintendent; chief financial officer; principals, staff; Campus Advisory Council; District Advisory Council; Board of Trustees; and community forum.
June	Complete final budget draft. Official public budget hearing. Adoption of budget.	Superintendent, Board of Trustees and chief financial officer

Source: MJLM, 2002.

Formal budget documents summarize the district's financial situation. This summary facilitates financial analysis of the district. **Exhibit 3-5** presents a sample table of contents of a budget document for a small school district.

Exhibit 3-5
Sample Budget Document
Table of Contents

Section	Title	Description
A.	Comparison of Budgeted Expenditures by Object Code	A comparison of current and prior year budgeted expenses by object code with dollar amounts and percent change.
B.	Comparison of Budgeted Expenditures by Function	A comparison of current and prior year budgeted expenses by function with dollar amounts and percent change.
C.	Recap of Certified Appraisal Roll	Certification of the total taxable value of property within the district supported by a recap of the certified appraisal roll and analysis of tax base trends.
D.	Budget Summary Based on 96 percent Collection Rate	A budget summary and estimate of revenues based upon the certified taxable value and collection rate.
E.	Proposed Budget for Coming Year	Actual budget recap showing budgeted revenues and expenditures by fund.
F.	Effective Tax Rate and Rollback Tax Rate Calculations	Various documents supporting the district's effective, maximum and rollback tax rates.

Source: MJLM, 2002.

In addition, budgets become more effective when linked to board directives and strategic initiatives are expressed in financial terms. By tying the budget to the district's strategic goals, the district ensures that spending supports its overall priorities.

Recommendation 11:

Develop a budget calendar and formal budget document.

The superintendent, business manager and board members should establish a specific timeframe for budget development. This will enable those involved in the process to more effectively plan for their involvement in developing the district's budget.

MISD should use the formal budget document to monitor spending trends and facilitate financial analysis. The district should also use the budget document to develop long-range spending priorities that are linked to the district's strategic goals.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and business manager determine the optimum time to initiate the budget process (typically January or February of each year).	March 2003
2.	The business manager prepares a budget calendar for the board and superintendent to approve.	March 2003
3.	The superintendent directs the business manager to establish a budget format.	April 2003
4.	The business manager obtains formats from other small districts to use as a model.	April-May 2003
5.	The business manager obtains input from school and community-based organizations to ensure that revised budget documents will be more useful to concerned citizens.	June 2003
6.	The business manager identifies and quantifies long-range spending priorities for MISD and links them to the strategic plan.	July 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

B. FISCAL AND PURCHASING OPERATIONS

Fiscal operations are critical in school districts. Fiscal operations include accounting, payroll, accounts payable, accounts receivable and banking relations. Districts must have an effective and efficient purchasing system to meet its procurement needs.

FINDING

The district lacks procedures for some financial management processes. The accounting controls that cover MISD's general ledger were found to be materially weak in the district's 2000-01 financial audit report by the district's external auditor. The auditor noted that bank reconciliations were not performed for an entire year, that not all financial transactions were recorded properly, the general ledger was not in balance, as well as the overpayment of some bills. Similar problems were noted in the 1999-2000 financial audit. MISD's 2001-02 financial audit reveals that the district has addressed many of the material weaknesses from previous years' audits. However, the district still needs to strengthen its controls over expenditures and coding. The 2001-02 audit also noted that the district overspent in every budget category. The management letter that accompanied MISD's 2000-01 financial audit recommended that the district use the Federal Acquisition Regulation guide to code all expenditures before payment or posting. The management letter also recommended that the district implement procedures for receiving bills, coding the expenses and authorizing the bills for payment.

As a result of these differences, the district and its representatives are working with inaccurate financial information.

MISD also does not comply with Public Education Information Management Systems (PEIMS) requirement that data be sent accurately. TEA uses the PEIMS data to allocate education funding. Districts also use the data to analyze district operations. Failure to send accurate PEIMS data can affect state funding and lead the district to make bad decisions.

MISD's business manager compiles the district's budget in cooperation with the superintendent. The Texas Education Agency's (TEA) Regional Education Service Center III (Region 3) assists the business manager with planning and budget support through the contracted use of its financial management system. Region 3 generates financial management reports and answers financial management questions.

School districts must have internal controls in place to provide reasonable assurance that expenditures are proper to properly record financial transactions in a timely manner and to provide financial information to management that accurately reflects district activity. When the district does not adhere to internal controls, the board and superintendent will make decisions based on faulty information that can compromise the district financially.

Recommendation 12:

Develop procedures to improve financial management.

The district should provide the business manager with ongoing training in all aspects of financial reporting. The district should implement procedures for receiving bills, coding expenses and authorizing payment of bills.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The business manager seeks approval from the superintendent to identify financial management assistance with Region 3 and the Texas Association of School Business Officials (TASBO) that will assist the business manager and develop financial management and record keeping procedures.	April 2003
2.	The superintendent and the business manager contact other schools districts to get examples of procedures for receiving bills, codes, expenses and authorizing bill payment.	May 2003
3.	The business manager develops the financial procedures.	June - July 2003
4.	The business manager implements the new procedures.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD increases financial risks by concentrating many financial functions in the business manager position. Its business manager performs accounts receivable, accounts payable, purchasing and handles the district's banking. Because of limited resources, many small school districts combine several financial responsibilities in a single position. Ideally,

districts split financial responsibilities between several positions to provide an extra layer of security.

During the on-site review at MISD, the review team noted that the business manager directly receives and opens mail containing incoming checks. The mail is not opened and logged by a separate individual. The business manager also makes bank deposits, orders most items for the district such as office supplies, receives purchasing paperwork and pays bills. Additionally, the business manager also orders some items for the district using its credit card and then receives the bill and sets the check up for payment. While a MISD board member must sign all checks issued by the district and there has never been any reportable instances of impropriety or mismanagement, the existing management practices make it possible for a single person to set up a payable and write a check without validation by a third party, thereby setting up an undetectable opportunity for impropriety.

Recommendation 13:

Strengthen internal controls by ensuring appropriate segregation of duties.

The district secretary should open all non-confidential mail, log and photocopy all incoming checks before giving them to the business manager. The business manager should prepare the bank deposit and have the secretary review it against the log to ensure that all checks on the log are deposited. Both the business manager and secretary should initial the completed bank deposit.

The secretary should receive and review all paperwork associated with district purchases. The secretary should check bills, credit card statements and check disbursement paperwork to ensure that amounts match between documents. The secretary should initial all the paperwork after verifying its accuracy.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The business manager and secretary establish a plan to segregate duties associated with accounts receivable, accounts payable, purchasing and banking functions to eliminate internal control weaknesses.	April 2003
2.	The business manager and secretary cross-train on appropriate accounts receivable, accounts payable, purchasing and banking functions.	April 2003
3.	The business manager and secretary implement the plan to segregate	April

	duties.	2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not have a systematic process to identify opportunities for cost savings or exercise budget controls. No position or process at the district critically analyzes budget variances or performs comparative analysis of MISD's budgeted expenditures to its peers.

Salaries and payroll-related costs make up the largest expenditure item in school district budgets. MISD's staffing practices are not consistent with those of the state or its selected peers. During 2001-02, MISD's 17 employees consisted of one administrator, eight teachers, seven auxiliary personnel and one educational aide.

MISD selected several school districts of comparable size and financial resources as peer districts. The review team compared the MISD to its peer districts. **Exhibit 3-6** shows that MISD employs more auxiliary staff than its peer districts.

Exhibit 3-6
Staffing Information
Percent of Payroll Budget Dedicated to Different Types of Employees
MISD, Peer Districts and State
2001-02

Staff	MISD	Marathon	Vysehrad	Sivells Bend	Statewide
Total Staff	17	20	13	11	N/A
Teachers	**47.2%**	61.6%	44.4%	55.8%	50.5%
School Administration	**5.9%**	5%	4.1%	4.7%	3.7%
Auxiliary Staff	**41%**	20%	26.3%	34.8%	26.5%

Source: TEA, AEIS, 2001-02.

TSPR compared the budget data from the district's AEIS reports for 2001-02 to its peer districts and the state in seven areas: enrollment, payroll, contracted services, supplies, debt service, capital outlay and other operating expenses. **Exhibit 3-7** shows that not only do MISD budget figures exceed the averages of its peers, in several areas it spends

considerably more. For example, MISD's line item budget for contracted services is more than $80,000 higher than the average for the peer districts. MISD's budgeted expenditures for other operating expenses are nearly five times the average for the peers. The district was unable to provide a breakdown of what expenses it includes in other operating expenses. The district does not have a process in place to determine why its costs are substantially higher.

Exhibit 3-7
Budgeted Expenditures for the General Fund by Object Code
Description and Enrollment
MISD vs. Peer Districts
2001-02

Enrollment and Expenditures	MISD	Vysehrad	Sivells Bend	Marathon	Average without MISD
Enrollment	79	77	55	76	69
Payroll	$569,784	$367,677	$461,154	$780,378	$536,403
Contracted Services	$144,616	$57,350	$85,600	$141,477	$94,809
Supplies	$54,400	$32,597	$56,750	$58,890	$49,412
Other Operating	$200,934	$29,466	$29,790	$62,366	$40,541
Debt Service	$156,000	$18,000	$0	$105,000	$41,000
Capital Outlay	$110,000	$31,804	$20,200	$3,000	$18,335
Total	$1,235,734	$536,894	$653,494	$1,151,111	$780,500

Source: TEA, AEIS, 2001-02.

Exhibit 3-7 shows the following:

- MISD pays 53 percent more than the peer average of $94,809 for contracted services.
- MISD has an 80 percent to 20 percent differential in its payroll and contract services costs respectively.
- MISD pays debt service fees that are nearly four times the peer average. MISD's debt service fees are 49 percent more than the next highest district.

Further, MISD's management letter that accompanied the 2000-01 financial audit showed that the district overspent in every budget category

during the fiscal year. The district's overspending has contributed to fund balance deficits in past years.

Recommendation 14:

Systematically analyze financial data to identify opportunities for cost savings.

The budget process should include mechanisms to analyze financial data and identify opportunities to reduce costs. Elements of a successful cost savings identification system should include:

- identification of peer districts for comparisons;
- formalization of a schedule to present a budget analysis to the board and administration (should consider the differences in the spending patterns of MISD and its peer districts);.
- improvement of the financial management of the district based on this comparative analysis;
- ongoing review of cost-saving opportunities.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board directs the superintendent to create a cost reduction plan. The plan should systematically identify opportunities for cost savings and guide the district toward making these savings.	April 2003
2.	The superintendent drafts and presents the cost reduction plan to the board in an executive session.	June 2003
3.	The board reviews, edits and comments on the plan to give the superintendent additional direction.	June 2003
4.	The superintendent makes changes based on additional board guidance and presents the final draft at the regular board meeting.	July 2003
5.	The board approves the plan and instructs the superintendent to enact its provisions.	August 2003
6.	The superintendent implements the plan.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

C. FACILITIES

Districts must plan their facilities to adequately create an environment that supports their educational programs. Maintenance programs coordinate preventive maintenance and repairs to ensure that facilities are in good working order. Custodial operations provide for the general cleanliness and upkeep of facilities on a daily basis. Districts can save money by developing energy conservation practices and monitoring energy costs. Districts must also consider school safety and security in their facility management efforts.

The review team surveyed parents and the district's non-teaching staff about the district's facilities. **Exhibit 3-8** shows the results of the survey. Both parents (86 percent) and administrative/support staff (84 percent) agreed that MISD's facilities are well maintained.

Exhibit 3-8
Survey Results

Survey Question - Buildings are properly maintained in a timely manner.					
Respondent Category	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Parents	43%	43%	7%	7%	0%
Administrative/Support Staff	38%	46%	8%	8%	0%

Source: TSPR Surveys, September 2002.

Exhibit 3-9 shows that most of the MISD community feels that the district school is clean. The survey indicated that 93 percent of parents and 92 percent of administrative/support staff members that responded to the survey agreed that MISD keeps the school clean.

Exhibit 3-9
Survey Results

Survey Question - Schools are clean.					
Respondent Category	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Parents	50%	43%	7%	0%	0%

Administrative/Support Staff	69%	23%	0%	8%	0%

Source: TSPR Surveys, September 2002.

School districts achieve effective facilities management by striking a good balance between high quality service and cost-effective school district operations.

FINDING

MISD's budgeted maintenance and operations costs are the second highest when compared to its peer districts. **Exhibit 3-10** shows that for 2000-01, MISD's budgeted maintenance cost per student was $1,173 compared to the peer average of $908 per student. For 2001-02, MISD's budgeted cost per student was $1,350 compared to the peer average of $1,169 per student.

The district's budgeted maintenance and operations costs consist of salaries for 1.75 full-time employees (FTE). The maintenance budget pays for the 0.75 FTE maintenance manager position. The district budgets part of the maintenance manager's salary (0.25 FTE) as the part-time bus driver position. The maintenance manager supervises one FTE custodian position. The district's maintenance budget includes other costs associated with running maintenance and custodial operations, such as utilities costs. In 2001-02, MISD spent $28,200 in utilities out of the total maintenance budget of $106,611.

Exhibit 3-10 presents MISD's budgeted maintenance and operations costs for 2000-01 and 2001-02.

Exhibit 3-10
Budgeted Maintenance and Operations Costs
MISD vs. Peer District
2000-01 and 2001-02

	2000-01			2001-02		
District	**Budgeted Maintenance**	**Enrollment**	**Cost per Student**	**Budgeted Maintenance**	**Enrollment**	**Cost per Student**
Marathon	$112,601	85	$1,325	$140,086	76	$1,843
MISD	**$99,696***	**85**	**$1,173**	**$106,611***	**79**	**$1,350**
Sivells Bend	$49,854	56	$890	$43,449	55	$1,154

Vysehrad	$34,203	67	$510	$39,382	77	$511
Average without MISD	$65,553	69	$908	$74,306	69	$1,169

Source: TEA, AEIS, 2000-01 and 2001-02.
*Budgeted maintenance amount includes utility costs.

Other school districts lower maintenance and operational costs by:

- conducting cost comparisons on custodial and maintenance supplies;
- identifying items that could be purchased in bulk for less cost from a large metropolitan area, where prices may be lower;
- obtaining multiple bids on contracted repairs and services;
- performing preventive maintenance on buildings and equipment to minimize repair costs where possible;
- enforcing warranty repair instead of paying for additional repair costs that have previously been paid for and are still under warranty; and
- inspecting all contracted work for thoroughness to ensure that the repairs last, avoiding costly repairs of the same items earlier than necessary.

Recommendation 15:

Develop strategies to bring maintenance and operations costs in line with peer districts.

MISD should closely examine its maintenance and operations budget and identify ways that costs can be lowered.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The maintenance manager and the business manager examine the district's maintenance and operations budget and identify strategies to lower cost.	April through May 2003
2.	The maintenance manager and the business manager incorporate potential cost savings opportunities into the 2003-04 budget.	June 2003
3.	The maintenance manager and the business manager monitor actual expenditures to ensure that maintenance and operations costs become lower over time.	August 2003 and monthly thereafter.

FISCAL IMPACT

The review team estimates that MISD can reduce its maintenance budget by at least 5 percent by using some of the cost-saving ideas presented above. MISD's maintenance budget for 2001-02 was $106,611. Reducing expenditures by 5 percent would save the district $5,331 annually ($106,611 x 0.05 = $5,331). These savings could add up to $26,655 over five years ($5,331 per year x 5 years = $26,655).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Develop strategies to bring maintenance and operations costs in line with peer districts.	$5,331	$5,331	$5,331	$5,331	$5,331

FINDING

MISD does not have an energy management plan and the district has not conducted an energy audit. The district implemented some energy conservation strategies like instructing staff to keep lights turned off in unoccupied rooms and regulating thermostats in the building. Because the district is located near the water, the air is typically humid and its energy costs tend to be high. **Exhibit 3-11** presents MISD's energy cost per square foot for 1999-2000 through 2001-02.

Exhibit 3-11
MISD Energy Costs
1999-2000 through 2001-02

1999-2000	2000-01	2001-02
$0.93	$0.96	$0.94

Source: MISD's Business Office.

MISD's energy cost averaged $0.94 per square foot between 1999-2000 and 2001-02. The district's building contains about 30,000 square feet of space. The district pays approximately $28,200 each year for energy.

The district has not had an energy management audit. The State Energy Conservation Office (SECO)-which is a division of the Texas Comptroller of Public Accounts-provides free energy management audits to school districts. The audits provide detailed recommendations about equipment the districts can purchase and procedures it can implement to reduce energy costs. An energy management audit also serves as the foundation for the development of an energy management plan. SECO audits use the

potential savings of its suggestions to estimate how long it will take districts to recoup the money they invest in energy-efficient equipment.

Recommendation 16:

Conduct an energy audit of MISD facilities and develop an energy management plan to lower costs.

MISD should request an SECO energy audit to lower energy costs. The energy audit will enable the district to develop an energy management plan.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent contacts SECO and schedules an energy management audit.	April 2003
2.	SECO completes the energy management audit and provides a report to the district.	June 2003
3.	The superintendent and maintenance manager review the audit results and prepare a recommendation and implementation plan for the board.	July 2003
4.	The board approves the plan and directs the superintendent and maintenance manager to begin implementation.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

D. TRANSPORTATION

The Texas Education Code (TEC) authorizes, but does not require, each Texas school district to provide transportation between home and school, from school to career and technology training locations, for co-curricular activities and for extracurricular activities. The Federal Individuals with Disabilities Education Act (IDEA) requires a school district to provide transportation for students with disabilities if the district provides transportation for the general student population or if disabled students require transportation to receive special education.

The TEC states that a school district is eligible to receive state funding for transporting regular and special program students between home and school. State funding is also available to transport career and technology students to and from vocational training locations. TEA sets the funding rules. Local funds must pay for transportation costs that the state does not cover.

For the regular program, TEA reimburses a local district for qualifying transportation expenses according to a prescribed formula. This funding formula is based on linear density, which is the ratio of the average number of regular program students transported daily to the number of miles operated daily for those students. TEA uses this ratio to assign each school district to one of seven groups, with each group receiving a different per-mile reimbursement. TEA reevaluates group assignments once every two years. To assign groups and funding for the next two years, TEA calculates linear density using operations data from the first school year of the previous biennium.

All transportation to and from school for special education programs-except certain field trips-is eligible for state reimbursement. The Legislature set a rate of $1.08 a mile for reimbursement for special education program transportation. MISD had an actual cost of $3.07 a mile for special education program transportation in 2000-01.

The TEA School Transportation Operations Reports for 1998-99 through 2000-01 provide a three-year history of the districts' transportation service's cost and mileage. These reports are intended to track all costs and mileage related to transportation, including services not funded by the state. The TEA School Transportation Route Services Report provides ridership information for state-funded routes only.

Each school district is responsible for the capital cost of purchasing school buses. Districts may purchase school buses through the Texas Building and Procurement Commission (TBPC) under a state contract. Districts may also choose a lease-purchase method to obtain buses.

MISD opted for a lease-to-purchase agreement over a three-year period for two new buses at the beginning of the 2001-02 school year. The total cost for both buses is $110,000.

FINDING

Analysis of peer district comparisons shows that MISD's transportation costs are in line with peer districts, suggesting that the district operates a cost efficient operation. TSPR survey results also show a high satisfaction rate with service.

Exhibit 3-12 shows that MISD's transportation cost per mile for regular transportation was in line with peer districts for 1999-2000 through 2000-01. Transportation data for 2000-01 is the latest available from TEA School Transportation Operations Reports.

Exhibit 3-12
Cost Per Mile for Regular Transportation
MISD vs. Peer Districts
1998-99 through 2001-02

	Sivells Bend	MISD	Vysehrad	Marathon	Average without MISD
2000-01	$.78	**$.93**	$1.05	Not available	$.92
1999-2000	$.82	**$.88**	$.98	Not available	$.90
1998-99	$.59	**$.99**	$.80	Not available	$.70

Source: TEA, School Transportation Operations Reports, 1999-2000 through 2000-01.

Exhibit 3-13 shows that MISD's transportation per student costs for 2000-01 fall between two of its peer districts.

Exhibit 3-13
Transportation Costs per Student
MISD vs. Peer Districts
2000-01

District	Total Enrollment	Total Transportation	Transportation Costs per

		Costs 2000-01	Student 2000-01
Vysehrad	77	$21,654	$281
MISD	**79**	**$25,385**	**$321**
Sivells Bend	55	$26,988	$491
Marathon	76	Not Available	Not Available

Exhibit 3-14 shows that MISD's actual transportation costs are similar to their peer districts for 2000-01.

Exhibit 3-14
MISD and Peer District Actual Transportation Costs
By General Fund Expenditure Object Code
2001-02

Expenditure Object Code	Vysehrad	MISD	Sivells Bend	Marathon
Salaries and Benefits	$12,514	**$12,597**	$16,899	Not available
Purchased and Contracted Services	$2,541	**$0**	$733	Not available
Supplies and Materials	$4,856	**$12,788**	$8,670	Not available
Other Operating Expense	$1,743	**$0**	$686	Not available
Debt Service	$0	**$0**	$0	Not available
Capital Outlay	$0	**$0**	$0	Not available
Total	**$21,654**	**$25,385**	**$26,988**	**Not available**

The review team mailed a survey to parents that asked for their opinions on MISD's transportation services. **Exhibit 3-15** present MISD's survey results. Most parents (49 percent) stated that their child regularly rides the bus to school. Of the parents surveyed whose children ride the bus, 43 percent said the bus driver maintains discipline, 65 percent said the length of the students' ride was reasonable, 79 percent said the drop-off zone at the school was safe and 58 percent said the stop near their house was safe.

Exhibit 3-15
Survey Results

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child regularly rides the bus.	35%	14%	21%	14%	14%
The bus driver maintains discipline on the bus.	29%	14%	49%	8%	0%
The length of the student's bus ride is reasonable.	29%	36%	35%	0%	0%
The drop-off zone at the school is safe.	50%	29%	21%	0%	0%
The bus stop near my house is safe.	29%	29%	42%	7%	0%

Source: TSPR Surveys, September 2002.

COMMENDATION

MISD controls transportation costs for the district while also delivering high quality service.

Chapter 3

E. FOOD SERVICE

The National School Lunch Program (NSLP) began in 1946 to "safeguard the health and well-being of the nation's children and to encourage the domestic consumption of nutritional agricultural products."

Effective school food service programs strive to provide students affordable, appealing and nutritionally balanced breakfasts and lunches. Food service funding sources include:

- student and adult meal payments;
- federal reimbursements for all qualifying students who eat school meals (reimbursement rates vary for those who receive free meals or who purchase reduced-price or full-price meals);
- a la carte sales of food items; and
- fees from special functions catered by the food services operation.

MISD participates in the National School Breakfast Program (NSBP) and NSLP. MISD receives federal reimbursement funds and donated USDA food commodities for each meal it serves that meets federal requirements. The National School Lunch Act authorizes the NSBP and NSLP to provide free and reduced-priced meals to eligible students identified through an annual application process. Students who live in households where the total income is less than 185 percent of the federal poverty level are eligible to receive a reduced-price meal. Students with household incomes of less than 130 percent of the federal poverty level are eligible to receive a free meal. The federal poverty level for a four-person family in 2001 was $17,650, as determined by the U.S. Department of Health and Human Services Poverty Guidelines.

Districts can choose one of three different methods, or provisions, for reporting meal participation to NSBP and NSLP. MISD applied and was approved for Provision II beginning with the 1999-2000 school year. Under Provision II, MISD is reimbursed a specified amount for all students participating in the district's meal program. Provision II operates on a four-year reporting cycle. The first year of the provision is classified as the base year. During the base year, the district makes eligibility determinations as usual and takes meal counts by type and by campus. Campuses do not make any eligibility determinations and count only the total number of reimbursable meals served at each location per day for the next three years.

Exhibit 3-16 shows that for the years 1999-2000 through 2001-02, MISD experienced consistently strong participation rates in its federal food service programs. During the 2001-02 school year, MISD served 6,881 breakfasts and 11,545 lunches. For that same year, 88.8 percent of the district's students were eligible for free or reduce-priced meals. Most students (85.3 percent) participated in the breakfast program and almost as many (80.6 percent) participated in the lunch program.

Exhibit 3-16
Comparison of MISD's Food Service Key Operating Statistics
1999-2000 through 2001-02

Description	1999-2000	2000-01	2001-02
Percentage of Students Eligible for Free or Reduced-Price Meals	86.7%	86.4%	88.8%
Meals Served - Breakfast - Lunch	8,649 12,934	7,649 12,988	6,881 11,545
Average Meal Participation Percent Rate - Breakfast - Lunch	81.3% 77.4%	85.9% 81.8%	85.3% 80.6%

Source: TEA, Child Nutrition Program Division and Peer District Food Service Programs, 1999-2000 through 2001-02.

Exhibit 3-17 shows that MISD has more students eligible for free and reduced-price meals than its peer districts. MISD also has significantly higher breakfast and lunch participation rates.

Exhibit 3-17
Comparison of MISD's and Peer Districts' Food Service Key
Operating Statistics
2001-02

Description	MISD	Vysehrad	Sivells Bend	Marathon
Enrollment	**79**	55	76	77
Percentage of Students Eligible for Free/Reduced-Price Meals	**88.75%**	84.42%	74.55%	Not Provided
Meals Served - Breakfast	**6,881** **11,545**	3,083 10,731	4,164 7,250	12,596 Not Provided

- Lunch				
Average Meal Participation Percent Rate - Breakfast - Lunch	**85.34%** **80.59%**	33.64% 41.36%	72.41% 56.04%	71.59% Not Provided

Source: TEA, Child Nutrition Program Division and Peer District Food Service Programs, 2001-02.

The review team mailed surveys to parents asking for their opinions on MISD's food service operations. **Exhibit 3-18** presents the results of this survey. Most parents (72 percent) stated that their children regularly purchase their meal from the cafeteria. Of the parents surveyed whose child eat in the cafeteria, 100 percent said the school breakfast program was available to all children, 72 percent said the cafeteria food looks and tastes good and 86 percent felt that food was served warm. Most parents (93 percent) agreed that cafeteria staff is helpful and 93 percent also felt the cafeteria facilities are sanitary and neat.

Exhibit 3-18
MISD-Food Services Survey Results

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child regularly purchases his/her meal from the cafeteria.	8%	64%	14%	14%	0%
The school breakfast program is available to all children.	50%	50%	0%	0%	0%
The cafeteria's food looks and tastes good.	29%	43%	14%	14%	0%
Food is served warm.	29%	57%	14%	0%	0%
Cafeteria staff is helpful and friendly.	43%	50%	7%	0%	0%
Cafeteria facilities are sanitary and neat.	50%	43%	7%	0%	0%

Source: TSPR Surveys, September 2002.

FINDING

MISD does not generate internally developed financial statements for its Food Service Program. Instead, the district relies on the financial audit prepared by the external auditor at the end of the fiscal year to determine if the program operated at a loss or surplus. **Exhibit 3-19** summarizes actual financial results from financial statements prepared by the district's external auditor for August 31, 2001. The audit showed food service revenue of $31,114 and expenditures of $49,151. The district transferred $25,000 from its general fund to enable the program to operate in excess of revenue. The district's financial audit for August 31, 2002 was not complete when the review team visited. Food Service financial results for 2001-02 were not available for this analysis.

Exhibit 3-19
Actual Food Service Revenue and Expenditures by Major Category
2000-01

Category	Actual Amount
Revenue	
Local and Intermediate Sources	$263
State Program Revenue	$1,879
Federal Program Revenue	$28,972
Total	**$31,114**
Expenditures	
Total Expenditures	**$49,151**
Excess (Deficiency) of Revenue	**($18,037)**
Operating Transfers	$25,000
Excess (Deficiency) of Revenue	**$6,963**

Source: MISD Financial Audit, August 31, 2001.

Timely financial statements are important because they would enable the district to identify revenue and expenditure trends and develop and implement corrective action strategies to avoid the program operating at a deficit. Under Provision II, MISD is reimbursed a specified amount for all students participating in the district's meal program. The only way the district can operate at a surplus is to reduce expenditures. The Food Service Program needs detailed financial statements with itemized expenses so that it can identify places it can save money.

Recommendation 17:

Develop timely, detailed financial statements for the Food Service program.

The district's cafeteria manager and the business manager should work together to generate Food Service financial reports that contain necessary information in a user-friendly format so that they can monitor expenditures on a monthly basis.

Profit-and-loss statements that summarize financial results for the food service program will help the district gain control over program expenditures.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The cafeteria manager and the business manager contact school districts to obtain sample formats for generating Food Service financial statements.	April 2003
2.	The cafeteria manager and the business manager develop a format for financial statements needed to operate the Food Service Program.	May 2003
3.	The cafeteria manager and the business manager use the financial statements to reduce costs.	June 2003 and Ongoing

FISCAL IMPACT
This recommendation can be implemented with existing resources.

FINDING

MISD's Food Service's labor costs are high compared to industry standards. The district has two full-time employees: a cafeteria manager and a cook. Each staff member works an eight-hour day and works 180 days per year for a total of 2,880 hours per year. The combined annual salaries plus benefits for these two positions is $28,998.

Exhibit 3-16 shows that for the years 1999-2000 through 2001-02, MISD experienced consistently strong participation rates in its federal food service programs. During the 2001-02 school year, MISD served 6,881 breakfasts and 11,545 lunches. In 2001-02, the district served 6.4 meals per labor hour (MPLH).

There are two systems of meal preparation: the conventional and the convenience systems. The conventional system uses more raw materials and creates more dirty dishes that need to be washed. In contrast, the convenience system uses more prepared foods that come in disposable containers. The convenience system reduces the number of labor hours

needed to prepare food. MISD primarily cooks using the convenience system. In reviewing the efficiency of MISD's food services, the review team chose a conservative approach of comparing the district to the industry standards associated with the conventional system.

Exhibit 3-20 outlines the MPLH industry standards used to evaluate staff productivity. If the MPLH rate is lower than the recommended rate, either the number of meals served is low or the number of hours worked is high. The number of hours worked is a function of two variables: the number of staff employed and the hours worked per worker. Both variables are controllable. For schools with MPLH below industry standards, a school food service operation would have to increase the number of meals served or reduce the number of staff or the hours worked by each employee to achieve the recommended MPLH.

Exhibit 3-20
Industry Standard Recommended Meals per Labor Hour

Number of Meal Equivalents	Meals Per Labor Hour (MPLH)			
	Conventional System		Convenience System	
	Low Productivity	High Productivity	Low Productivity	High Productivity
Up to 100	8	10	10	12
101 - 150	9	11	11	13
151 - 200	10-11	12	12	14
202 - 250	12	14	14	15
251 - 300	13	15	15	16
301 - 400	14	16	16	18
401 - 500	14	17	18	19
501 - 600	15	17	18	19
601 - 700	16	18	19	20
701 - 800	17	19	20	22
801 - 900	18	20	21	23
901 up	19	21	22	23

Source: School Foodservice Management for the 21st Century, 5th Edition.

In 2001-02, MISD served an average of 102 meal equivalents each day. Cafeteria workers worked 16 hours per day, which translates to an MPLH of 6.4. Using a target of 9 MPLH which is the midpoint of recommended industry standards for a conventional system. By improving the MPLH, MISD could reduce its cafeteria staff to only 1.5 positions.

Exhibit 3-19 summarized actual financial results from financial statements prepared by the district's external auditor for August 31, 2001, which showed food service revenue of $31,114 and expenditures of $49,151. The district transferred $25,000 from its general fund to enable the Food Service Program to operate in excess of revenue.

Labor efficiency is a product of employing people with the right skills to do an assigned job, or the ability to learn that skill, and having the right number of workers to do the job when it needs to be done.

Recommendation 18:

Reduce labor costs for the Food Service operation.

The district's superintendent and the business manager should work together to analyze cafeteria operations and only employ enough staff for the hours necessary to prepare, serve and cleanup meals.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and the business manager analyze the work schedule of the cafeteria manager and cook.	April 2003
2.	The superintendent, the business manager and the cafeteria manager set work schedules based on Food Service operational needs.	May 2003
23.	The cafeteria manager implements the new schedule.	June 2003 and Ongoing

FISCAL IMPACT

The district served 18,426 meals in 2001-02. Assuming meals served will remain constant, the review team calculates that the kitchen can operate with 4.6 fewer labor hours per day. Two staff members worked 8 hours per day for 180 days (2 x 8 x 180 = 2,880). To reach a meals per labor hour of 9, the district needs to eliminate 833 hours annually [(18,426 meals served ÷ 9 MPLH) = 2,047 hours, minus the 2,880 = 833 hours], or 4.6 hours per day [833 hours ÷ 180 days = 4.6 labor hours per day] The lowest hourly rate for a Food Service employee is $7.50. The district will realize an annual savings of $6,248 ($7.50 x 833).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Reduce labor costs for the Food Service operation.	$6,248	$6,248	$6,248	$6,248	$6,248

Appendix A
PUBLIC FORUM COMMENTS

As part of the MISD performance review, a public forum was held on September 24. Members of the public were invited to record comments they have regarding the MISD education system. Community members and school staff who participated in the public forum gave their comments about the areas under review. The comments illustrated community perceptions of MISD and do not necessarily reflect the findings or opinion of the Comptroller or review team. The following is a summary of comments received by focus area.

DISTRICT ORGANIZATION AND MANAGEMENT

- We have been fortunate to have good principals and secretary. Students first.
- People of Matagorda are very proud of their school and welcome any suggestions to help keep it as a cornerstone of the community.
- Our school is important to this community and the children. The children have the benefit of smaller classrooms and more personal instruction and not having to be bussed out of the community at an age too young for their emotional and (sometimes) physical well being. The teachers are good teachers and really care about the children's education.
- School is excellent. Teachers are great with love and independent teachings. Very good school. I would most likely move out of the district if the school changed!
- We feel that our children get a good education with individual attention - <u>very</u> <u>important</u>. Good teachers.
- A dedicated staff - good management.
- Could not address specific issues 1 and 2. This is my observation moving into Matagorda in June 1999. The school is supported by churches, fishermen, and retirees. Moving into this community, because of this small community influence upon the children and their families. These influences spill over into every area of Matagorda. Our children are able to walk to school with no fear of injury, kidnapping or gang violence. We must keep our school, for our children.

STUDENT PERFORMANCE

- Great!

COMMUNITY INVOLVMENT

- The community is always involved in what is going on in school.
- Community stays involved with the school and vice-versa. This is the oldest school district in the county - a historical school, the community has supported since 1st school in 1829. Our school is necessary to our community - absolutely necessary.

FACILITIES

- Best.

COMPUTERS TECHNOLOGY

- Our school was one of the first in the area to provide computers to the lower grades.

TRANSPORTATION

- Transportation Rated number 10 (highest). All students are provided a way to school.
- Bus is always on time and no accidents.
- Transportation is more than adequate - a good safety record.

SAFETY AND SECURITY

- Safety of faculty and students is the utmost concern of Matagorda School and community. I am a paramedic; I appreciate the concern of the principal and board in protecting our students.

FOOD SERVICES

- Food is good, my daughter is a picky eater and she eats good at school.
- Food service better than most schools.
- Growth.

Appendix B
DISTRICT ADMINISTRATIVE AND SUPPORT STAFF SURVEY RESULTS

(n=13)
Demographics Data

1.	Gender (Optional)	Male	Female	No Response		
		15.4%	84.6%	0.0%		

2.	Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No Response
		92.3%	0.0%	0.0%	0.0%	7.7%	0.0%

3.	How long have you been employed by Matagorda ISD?	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
		100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

4.	Are you a(n):	Administrator	Clerical Staffer	Support Staffer	No Answer
		46.1%	7.7%	7.7%	38.5%

5.	How long have you been employed in this capacity by Matagorda ISD?	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
		100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

A. District Organization and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1	The school board allows sufficient time for public input at meetings.	30.8%	53.9%	15.4%	0.0%	0.0%	0.0%
2	School board members listen to the opinions and desires of	23.1%	69.2%	7.7%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	others.						
3	The superintendent is a respected and effective instructional leader.	0.0%	61.5%	38.5%	0.0%	0.0%	0.0%
4	The superintendent is a respected and effective business manager.	7.7%	46.2%	46.2%	0.0%	0.0%	0.0%
5	Central administration is efficient.	7.7%	69.2%	23.1%	0.0%	0.0%	0.0%
6	Central administration supports the educational process.	38.5%	53.9%	7.7%	0.0%	0.0%	0.0%
7	The morale of central administration staff is good.	23.1%	53.9%	15.4%	7.7%	0.0%	0.0%

B. Educational Service Delivery and Performance Measurement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
8	Education is the main priority in our school district.	38.5%	53.9%	0.0%	38.5%	0.0%	0.0%
9	Teachers are given an opportunity to suggest programs and materials that they believe are	46.2%	30.8%	7.7%	15.4%	0.0%	0.0%

	most effective.					
10	The needs of the college-bound student are being met.	23.1%	46.2%	23.1%	7.7%	0.0%	0.0%
11	The needs of the work-bound student are being met.	23.1%	46.2%	23.1%	7.7%	0.0%	0.0%
12	The district has effective educational programs for the following:						
	a. Reading	30.8%	61.5%	0.0%	7.7%	0.0%	0.0%
	b. Writing	30.7%	61.5%	0.0%	7.6%	0.0%	0.0%
	c. Mathematics	23.1%	76.9%	0.0%	0.0%	0.0%	0.0%
	d. Science	23.1%	61.5%	7.7%	7.7%	0.0%	0.0%
	e. English or Language Arts	23.1%	69.2%	0.0%	7.7%	0.0%	0.0%
	f. Computer Instruction	7.7%	69.2%	15.4%	7.7%	0.0%	0.0%
	g. Social Studies (history or geography)	23.1%	61.5%	15.4%	0.0%	0.0%	0.0%
	h. Fine Arts	15.4%	69.2%	7.7%	7.7%	0.0%	0.0%
	i. Physical Education	23.1%	46.2%	7.7%	15.4%	7.7%	0.0%
	j. Business Education	7.7%	23.1%	69.2%	0.0%	0.0%	0.0%
	k. Vocational (Career and Technology) Education	7.7%	15.4%	69.2%	7.7%	0.0%	0.0%
	l. Foreign Language	7.7%	15.4%	69.2%	7.7%	0.0%	0.0%
13	The district has						

effective special programs for the following:						
a. Library Service	15.4%	23.1%	23.1%	23.1%	15.4%	15.4%
b. Honors/Gifted and Talented Education	7.7%	53.9%	7.7%	15.4%	15.4%	7.7%
c. Special Education	15.4%	69.2%	7.7%	0.0%	0.0%	7.7%
d. Head Start and Even Start programs	7.7%	23.1%	53.9%	7.7%	7.7%	0.0%
e. Dyslexia program	23.1%	53.9%	7.7%	15.4%	0.0%	0.0%
f. Student mentoring program	15.4%	30.8%	23.1%	23.1%	7.7%	0.0%
g. Advanced placement program	7.7%	7.7%	53.9%	30.8%	0.0%	0.0%
h. Literacy program	7.7%	69.2%	23.1%	0.0%	0.0%	0.0%
i. Programs for students at risk of dropping out of school	0.0%	53.9%	38.5%	7.7%	0.0%	0.0%
j. Summer school programs	0.0%	61.5%	30.8%	7.7%	0.0%	0.0%
k. Alternative education programs	15.4%	23.1%	61.5%	0.0%	0.0%	0.0%
l. English as a Second Language program	7.7%	46.2%	23.1%	15.4%	7.7%	0.0%

	m. Career counseling program	7.7%	7.7%	61.5%	15.4%	7.7%	0.0%
	n. College counseling program	7.7%	7.7%	69.2%	15.4%	0.0%	0.0%
	o. Counseling the parents of students	15.4%	30.8%	38.5%	7.7%	7.7%	0.0%
	p. Dropout prevention program	15.4%	15.4%	53.9%	7.7%	0.0%	7.7%
14	Parents are immediately notified if a child is absent from school.	23.1%	23.1%	30.8%	23.1%	0.0%	0.0%
15	Teacher turnover is low.	23.1%	53.9%	15.4%	0.0%	7.7%	0.0%
16	Highly qualified teachers fill job openings.	46.2%	46.2%	0.0%	7.7%	0.0%	0.0%
17	Teacher openings are filled quickly.	38.5%	53.9%	0.0%	7.7%	0.0%	0.0%
18	Teachers are rewarded for superior performance.	15.4%	38.5%	15.4%	23.1%	7.7%	0.0%
19	Teachers are counseled about less than satisfactory performance.	15.4%	53.9%	23.1%	0.0%	7.7%	0.0%
20	All schools have equal access to educational materials such	15.4%	76.9%	7.7%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	as computers, television monitors, science labs and art classes.						
21	The student-teacher ratio is reasonable.	46.2%	46.2%	0.0%	7.7%	0.0%	0.0%
22	Students have access, when needed, to a school nurse.	15.4%	23.1%	15.4%	46.2%	0.0%	0.0%
23	Classrooms are seldom left unattended.	38.5%	53.9%	0.0%	7.7%	0.0%	0.0%

C. Personnel Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
24	District salaries are competitive with similar positions in the job market.	30.8%	23.1%	7.7%	30.8%	7.7%	0.0%
25	The district has a good and timely program for orienting new employees.	30.8%	23.1%	15.4%	23.1%	7.7%	0.0%
26	Temporary workers are rarely used.	23.1%	46.2%	7.7%	15.4%	7.7%	0.0%
27	The district successfully projects future staffing needs.	15.4%	53.9%	15.4%	15.4%	0.0%	0.0%
28	The district has an effective employee	15.4%	46.2%	15.4%	15.4%	7.7%	0.0%

	recruitment program.						
29	The district operates an effective staff development program.	23.1%	61.5%	7.7%	7.7%	0.0%	0.0%
30	District employees receive annual personnel evaluations.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
31	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0.0%	23.1%	53.9%	15.4%	7.7%	0.0%
32	Employees who perform below the standard of expectation are counseled appropriately and timely.	23.1%	38.5%	30.8%	7.7%	0.0%	0.0%
33	The district has a fair and timely grievance process.	23.1%	30.8%	46.2%	0.0%	0.0%	0.0%
34	The district's health insurance package meets my needs.	30.8%	61.5%	0.0%	0.0%	7.7%	0.0%

D. Community Involvement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
35	The district regularly communicates with parents.	38.5%	53.9%	0.0%	7.7%	0.0%	0.0%
36	The local television and radio stations regularly report school news and menus.	15.4%	0.0%	30.8%	53.9%	0.0%	0.0%
37	Schools have plenty of volunteers to help student and school programs.	7.7%	23.1%	15.4%	46.2%	7.7%	0.0%
38	District facilities are open for community use.	23.1%	69.2%	0.0%	7.7%	0.0%	23.1%

E. Facilities Use And Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
39	Parents, citizens, students, faculty, staff and the board provide input into facility planning.	23.1%	38.5%	15.4%	23.1%	0.0%	0.0%
40	The architect and construction managers are selected objectively and	7.7%	30.8%	61.5%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	impersonally.						
41	Schools are clean.	69.2%	23.1%	0.0%	7.7%	0.0%	0.0%
42	Buildings are properly maintained in a timely manner.	38.5%	46.2%	7.7%	7.7%	0.0%	0.0%
43	Repairs are made in a timely manner.	46.2%	38.5%	7.7%	7.7%	0.0%	0.0%
44	Emergency maintenance is handled promptly.	53.9%	38.5%	0.0%	7.7%	0.0%	0.0%

F. Financial Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
45	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	15.3%	61.5%	15.3%	7.6%	0.0%	0.0%
46	Campus administrators are well trained in fiscal management techniques.	15.4%	53.9%	23.1%	7.7%	0.0%	0.0%
47	The district's financial reports are easy to understand and read.	15.4%	53.9%	23.1%	7.7%	0.0%	0.0%
48	Financial reports are made available to community	15.4%	46.2%	30.8%	7.7%	0.0%	0.0%

	members when asked.					

G. Purchasing and Warehousing

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
49	Purchasing gets me what I need when I need it.	23.1%	46.2%	23.1%	7.7%	0.0%	0.0%
50	Purchasing acquires the highest quality materials and equipment at the lowest cost.	15.4%	69.2%	15.4%	0.0%	0.0%	0.0%
51	Purchasing processes are not cumbersome for the requestor.	23.1%	38.5%	30.8%	7.7%	0.0%	0.0%
52	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	7.7%	53.9%	23.1%	7.7%	7.7%	0.0%
53	Students are issued textbooks in a timely manner.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
54	Textbooks are in good shape.	7.7%	92.3%	0.0%	0.0%	0.0%	0.0%
55	The school library meets students' needs for books and other resources	15.4%	23.1%	30.8%	15.4%	15.4%	0.0%

	for students.						

H. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
56	Gangs are not a problem in this district.	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%
57	Drugs are not a problem in this district.	23.1%	61.5%	7.7%	7.7%	0.0%	0.0%
58	Vandalism is not a problem in this district.	23.1%	53.9%	15.4%	7.7%	0.0%	0.0%
59	Security personnel have a good working relationship with principals and teachers.	7.7%	38.5%	53.9%	0.0%	0.0%	0.0%
60	Security personnel are respected and liked by the students they serve.	15.4%	30.8%	53.9%	0.0%	0.0%	0.0%
61	A good working arrangement exists between the local law enforcement and the district.	23.1%	69.2%	7.7%	0.0%	0.0%	0.0%
62	Students receive fair and equitable discipline for misconduct.	30.8%	53.9%	7.7%	7.7%	0.0%	0.0%

I. Computers and Technology

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
63	Students regularly use computers.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
64	Students have regular access to computer equipment and software in the classroom.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
65	Teachers know how to use computers in the classroom.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
66	Computers are new enough to be useful for student instruction.	38.5%	46.2%	0.0%	15.4%	0.0%	0.0%
67	The district meets students' needs in computer fundamentals.	38.5%	53.9%	7.7%	0.0%	0.0%	0.0%
68	The district meets students' needs in advanced computer skills.	30.8%	23.1%	30.8%	15.4%	0.0%	0.0%
69	Teachers and students have easy access to the Internet.	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%

Matagorda ISD Staff Comments

The following comments convey perception and do not reflect the findings or opinions of the Comptroller or review team. The narrative comments are the actual comments received.

- Our Superintendent is very new so is very hard to give a good opinion about him.
- This year, we are under new administration; therefore on several of these questions. I was unable to develop an opinion yet. Also, the Pre-K and kindergarten classes are combined in one classroom for all-day instruction, which I highly disagree with and have concern for. There is such a vast maturity level between the two groups and it is a considerable challenge to try to improve academic levels appropriately. I suggest the two groups being separated into two classes in order to help achieve success in both areas.
- At this time we do not have a librarian on campus - the students can walk to the local library two times a week - I would like to see our school library up and running, which I feel, would increase incentive for student reading and improve student performance in this area. The teachers and staff are united with administration to increase student performance and provide the best education for our students and utilize to our best what we have on our campus.
- I like working for Matagorda ISD. It is a clean school the staff is great. We all work together to give the students the best education. We have a great school.

Appendix C
PARENT SURVEY RESULTS

(n=14)
Demographic Data

1.	Gender (Optional)	Male	Female	No response
		21.4%	78.6%	0.0%

2.	Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No response
		71.4%	0.0%	0.0%	0.0%	14.3%	14.3%

3.	How long have you lived in Matagorda ISD?			
	0-5 years	**6-10 years**	**11 or more**	**No response**
	28.6%	7.1%	57.1%	7.2%

4.	What grades level(s) does your child(ren) attend?			
	Pre-Kindergarten	**Kindergarten**	**First**	**Second**	**Third**
	28.3%	14.3%	7.1%	28.6%	21.4%
	Fourth	**Fifth**	**Sixth**	**Seventh**	**Eighth**
	21.4%	14.3%	7.1%	7.1%	0.0%
	Ninth	**Tenth**	**Eleventh**	**Twelfth**	
	0.0%	0.0%	0.0%	0.0%	

A. District Organization and Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1 The school board allows sufficient time for public input at meetings.	28.6%	42.9%	28.6%	0.0%	0.0%	0.0%
2 School board members listen to the opinions and desires of	28.5%	50.0%	0.0%	21.5%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	others.						
3	The superintendent is a respected and effective instructional leader.	7.1%	28.6%	50.0%	7.1%	0.0%	7.1%
4	The superintendent is a respected and effective business manager.	7.1%	28.6%	57.1%	0.0%	0.0%	7.1%

B. Educational Service Delivery and Performance Measurement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
5	The district provides a high quality of services.	42.9%	42.9%	7.1%	7.1%	0.0%	0.0%
6	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	42.9%	42.9%	7.1%	7.1%	0.0%	0.0%
7	The needs of the college-bound student are being met.	21.4%	28.6%	50.0%	0.0%	0.0%	0.0%
8	The needs of the work-bound student are being met.	14.3%	64.3%	21.4%	0.0%	0.0%	0.0%
9	The district has effective educational						

	programs for the following:						
	a. Reading	42.9%	42.9%	7.1%	0.0%	7.1%	0.0%
	b. Writing	35.7%	57.1%	7.1%	0.0%	0.0%	0.0%
	c. Mathematics	42.9%	50.0%	7.1%	0.0%	0.0%	0.0%
	d. Science	28.6%	64.3%	7.1%	0.0%	0.0%	0.0%
	e. English or Language Arts	28.6%	64.3%	7.1%	0.0%	0.0%	0.0%
	f. Computer Instruction	42.9%	42.9%	14.3%	0.0%	0.0%	0.0%
	g. Social Studies (history or geography)	35.7%	50.0%	14.3%	0.0%	0.0%	0.0%
	h. Fine Arts	21.4%	35.7%	28.6%	7.1%	0.0%	7.1%
	i. Physical Education	28.6%	35.7%	14.3%	7.1%	14.3%	0.0%
	j. Business Education	7.1%	28.6%	50.0%	0.0%	0.0%	14.3%
	k. Vocational (Career and Technology) Education	21.4%	21.4%	50.0%	0.0%	0.0%	7.1%
	l. Foreign Language	14.3%	64.3%	7.1%	7.1%	0.0%	7.1%
10	The district has effective special programs for the following:						
	a. Library Service	28.6%	50.0%	14.3%	0.0%	0.0%	7.1%
	b. Honors/Gifted and Talented Education	14.3%	35.7%	21.4%	21.4%	0.0%	7.1%
	c. Special Education	21.4%	50.0%	21.4%	0.0%	0.0%	7.1%

d. Head Start and Even Start programs	28.6%	28.6%	28.6%	7.1%	0.0%	7.1%
e. Dyslexia program	14.3%	7.1%	50.0%	14.3%	7.1%	7.1%
f. Student mentoring program	14.3%	21.4%	42.9%	7.1%	7.1%	7.1%
g. Advanced placement program	7.1%	7.1%	64.3%	14.3%	0.0%	7.1%
h. Literacy program	28.6%	7.1%	50.0%	0.0%	7.1%	7.1%
i. Programs for students at risk of dropping out of school	14.3%	0.0%	64.3%	14.3%	0.0%	7.1%
j. Summer school programs	21.4%	7.1%	42.9%	14.3%	7.1%	7.1%
k. Alternative education programs	7.1%	7.1%	71.4%	0.0%	7.1%	7.1%
l. "English as a second language" program	7.1%	7.1%	64.3%	14.3%	0.0%	7.1%
m. Career counseling program	7.1%	0.0%	78.6%	7.1%	0.0%	7.1%
n. College counseling program	7.1%	0.0%	78.6%	7.1%	0.0%	7.1%
o. Counseling the parents of students	14.3%	21.4%	42.9%	7.1%	7.1%	7.1%
p. Drop out prevention program	7.1%	7.1%	78.6%	0.0%	0.0%	7.1%

11	Parents are immediately notified if a child is absent from school.	28.6%	21.4%	21.4%	21.4%	0.0%	7.1%
12	Teacher turnover is low.	35.7%	28.6%	28.6%	0.0%	0.0%	7.1%
13	Highly qualified teachers fill job openings.	50.0%	28.6%	14.3%	7.1%	0.0%	0.0%
14	A substitute teacher rarely teaches my child.	28.6%	35.7%	7.1%	21.4%	0.0%	7.1%
15	Teachers are knowledgeable in the subject areas they teach.	50.0%	35.7%	7.1%	0.0%	0.0%	7.1%
16	All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	35.7%	35.7%	14.3%	7.1%	0.0%	7.1%
17	Students have access, when needed, to a school nurse.	14.3%	35.7%	21.4%	14.3%	0.0%	14.3%
18	Classrooms are seldom left unattended.	21.4%	64.3%	7.1%	0.0%	0.0%	7.1%
19	The district provides a high quality education.	57.1%	21.4%	7.1%	7.1%	0.0%	7.1%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
20	The district has a high quality of teachers.	57.1%	28.6%	7.1%	0.0%	0.0%	7.1%

C. Community Involvement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
21	The district regularly communicates with parents.	21.4%	50.0%	0.0%	14.3%	0.0%	14.3%
22	District facilities are open for community use.	21.4%	21.4%	35.7%	14.3%	0.0%	7.1%
23	Schools have plenty of volunteers to help students and school programs.	21.4%	21.4%	21.4%	28.6%	0.0%	7.1%

D. Facilities Use and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
24	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	21.4%	21.4%	21.4%	21.4%	0.0%	14.3%
25	Schools are clean.	50.0%	42.9%	0.0%	0.0%	0.0%	7.1%
26	Buildings are properly maintained in a timely manner.	42.9%	42.9%	0.0%	7.1%	0.0%	7.1%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
27	Repairs are made in a timely manner.	42.9%	35.7%	0.0%	14.3%	0.0%	7.1%
28	The district uses very few portable buildings.	42.9%	42.9%	7.1%	0.0%	0.0%	7.1%
29	Emergency maintenance is handled expeditiously.	42.9%	28.6%	14.3%	7.1%	0.0%	7.1%

E. Asset and Risk Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
30	My property tax bill is reasonable for the educational services delivered.	21.4%	50.0%	7.1%	14.3%	7.1%	0.0%
31	Board members and administrators do a good job explaining the use of tax dollars.	0.0%	50.0%	35.7%	7.1%	7.1%	0.0%

F. Financial Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
32	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	14.3%	42.9%	28.6%	7.1%	0.0%	7.1%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
33	Campus administrators are well trained in fiscal management techniques.	7.1%	42.9%	42.9%	0.0%	0.0%	7.1%
34	The district's financial reports are easy to understand and read.	7.1%	50.0%	28.6%	14.3%	0.0%	0.0%
35	Financial reports are made available to community members when asked.	14.3%	35.7%	35.7%	7.1%	0.0%	7.1%

G. Purchasing and Warehousing

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
36	Students are issued textbooks in a timely manner.	42.9%	42.9%	7.1%	7.1%	0.0%	0.0%
37	Textbooks are in good shape.	42.9%	50.0%	7.1%	0.0%	0.0%	0.0%
38	The school library meets student needs for books and other resources.	14.3%	64.3%	14.3%	7.1%	0.0%	0.0%

H. Food Services

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
39	My child regularly purchases	7.1%	64.3%	14.3%	0.0%	14.3%	0.0%

	Survey Questions	Strongly	Agree	No	Disagree	Strongly	No
	his/her meal from the cafeteria.						
40	The school breakfast program is available to all children.	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
41	The cafeteria's food looks and tastes good.	28.6%	42.9%	14.3%	14.3%	0.0%	0.0%
42	Food is served warm.	28.6%	57.1%	14.3%	0.0%	0.0%	0.0%
43	Students have enough time to eat.	35.7%	50.0%	14.3%	0.0%	0.0%	0.0%
44	Students eat lunch at the appropriate time of day.	35.7%	64.3%	0.0%	0.0%	0.0%	0.0%
45	Students wait in food lines no longer than 10 minutes.	28.6%	64.3%	7.1%	0.0%	0.0%	0.0%
46	Discipline and order are maintained in the school cafeteria.	28.6%	64.3%	7.1%	0.0%	0.0%	0.0%
47	Cafeteria staff is helpful and friendly.	42.9%	50.0%	7.1%	0.0%	0.0%	0.0%
48	Cafeteria facilities are sanitary and neat.	50.0%	42.9%	7.1%	0.0%	0.0%	0.0%

I. Transportation

Survey Questions	Strongly	Agree	No	Disagree	Strongly	No

		Agree		Opinion		Disagree	Response
49	My child regularly rides the bus.	35.7%	14.3%	21.4%	14.3%	14.3%	0.0%
50	The bus driver maintains discipline on the bus.	28.6%	14.3%	35.7%	7.1%	0.0%	14.3%
51	The length of the student's bus ride is reasonable.	28.6%	35.7%	21.4%	0.0%	0.0%	14.3%
52	The drop-off zone at the school is safe.	50.0%	28.6%	7.1%	0.0%	0.0%	14.3%
53	The bus stop near my house is safe.	28.6%	28.6%	28.6%	0.0%	0.0%	14.3%
54	The bus stop is within walking distance from our home.	28.6%	35.7%	21.4%	0.0%	0.0%	14.3%
55	Buses arrive and depart on time.	35.7%	35.7%	14.3%	0.0%	0.0%	14.3%
56	Buses arrive early enough for students to eat breakfast at school.	42.9%	35.7%	7.1%	0.0%	0.0%	14.3%
57	Buses seldom break down.	21.4%	50.0%	14.3%	0.0%	0.0%	14.3%
58	Buses are clean.	35.7%	42.9%	7.1%	0.0%	0.0%	14.3%
59	Bus drivers allow students to sit down before taking off.	28.6%	50.0%	7.1%	0.0%	0.0%	14.3%

60	The district has a simple method to request buses for special events.	28.6%	35.7%	21.4%	0.0%	0.0%	14.3%

J. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
61	Students feel safe and secure at school.	42.9%	50.0%	0.0%	7.1%	0.0%	0.0%
62	School disturbances are infrequent.	42.9%	50.0%	0.0%	7.1%	0.0%	0.0%
63	Gangs are not a problem in this district.	50.0%	42.9%	0.0%	7.1%	0.0%	0.0%
64	Drugs are not a problem in this district.	50.0%	42.9%	0.0%	0.0%	7.1%	0.0%
65	Vandalism is not a problem in this district.	42.9%	42.9%	7.1%	7.1%	0.0%	0.0%
66	Security personnel have a good working relationship with principals and teachers.	14.3%	50.0%	28.6%	0.0%	0.0%	7.1%
67	Security personnel are respected and liked by the students they serve.	21.4%	28.6%	35.7%	7.1%	0.0%	7.1%
68	A good working arrangement	28.6%	64.3%	0.0%	0.0%	0.0%	7.1%

	Survey Questions						
	exists between the local law enforcement and the district.						
69	Students receive fair and equitable discipline for misconduct.	35.7%	50.0%	7.1%	7.1%	0.0%	0.0%
70	Safety hazards do not exist on school grounds.	28.6%	57.1%	7.1%	7.1%	0.0%	0.0%

K. Computers and Technology

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
71	Teachers know how to use computers in the classroom.	21.4%	50.0%	28.6%	0.0%	0.0%	0.0%
72	Computers are new enough to be useful to teach students.	35.7%	57.1%	7.1%	0.0%	0.0%	0.0%
73	The district meets student needs in computer fundamentals.	35.7%	57.1%	7.1%	0.0%	0.0%	0.0%
74	The district meets student needs in advanced computer skills	21.4%	35.7%	42.9%	0.0%	0.0%	0.0%
75	Students have easy access to the internet.	28.6%	64.3%	7.1%	0.0%	0.0%	28.6%

Matagorda ISD Parent Comments

The following comments convey perception and do not reflect the findings or opinions of the Comptroller or review team. The narrative comments are the actual comments received.

- Matagorda ISD is a clean and safe school. Everyone is very friendly. The teachers are great. They care about the students. If a student is having trouble they all work together to help that student. My Child loves going to school at Matagorda ISD.
- My daughter goes to Matagorda Elementary the smallest school in the district. This school is very different than the other schools in the 10 district. Recently I've had problems. There is only one class to each grade and my daughter has only 10 others in the class. She is the slowest in the group and because she can't keep up her teacher wants to put her in Special Education. She doesn't qualify for it.
- I would like to make a comment, although my children are not in high school yet. I do believe they give too much homework. I don't know if my comment will do any good. But teachers need to realize how many other teachers give the same amount of homework. Some kids don't get home until 5:00 p.m. and go to bed at 8:00-9:00 p.m. and have two hours of homework, need to cook dinner, clean up and be in bed. I think teachers should gives students one sheet of homework per class. I would like to suggest that when the teacher sees the area that the child needs the most help in they should send a few work sheets home.
- I don't know a lot about the school, but I chose it because of the small classes and one on one time with the children because of it. The staff is friendly and helpful.
- Matagorda is one of the very best schools in this state. Because of it's small size teachers have a lot of time for one on one tutoring and mentoring. I do feel that the district could be slightly expanded to include Wadsworth area these by giving more students the advantages of our small size and insuring the financial stability of our school.
- Because our school is only Pre-K-6th grades, a lot of these questions don't apply. A3-4 We just hired a new superintendent he has only been on job about one month. I-49 doesn't ride bus.
- We have a new superintendent this year and I don't know him well. Seems to be doing a good job! We have a very good school and great teacher's.
- I feel the educational performance of this school is great. The teachers are wonderful and really show they care about the students and their needs. We really couldn't ask for anyone better. Also the office help is exceptional. Wonderful people at this school. I rate this school an A.