TRANSMITTAL LETTER

August 7, 2003

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

Fellow Texans:

I am pleased to present my performance review of the Morgan Independent School District (MISD).
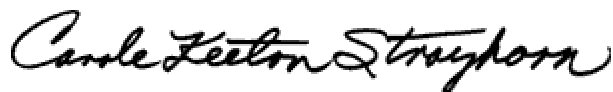
This review is intended to help MISD hold the line on costs, streamline operations, and improve services to ensure that more of every education dollar goes directly into the classroom with the teachers and children, where it belongs. To aid in this task, I contracted with SoCo Consulting, Inc.

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 39 detailed recommendations that could save MISD $400,162 over the next five years, while reinvesting over $48,205 to improve educational services and other operations. Net savings are estimated to reach more than $351,957 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? the 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/morgan/.

Sincerely,

Carole Keeton Strayhorn
Texas Comptroller

c: Senate Committee on Education
  House Committee on Public Education
  The Honorable Kip Averitt, CPA, State Senator, District 22
  The Honorable Arlene Wohlgemuth, State Representative, District 58

EXECUTIVE SUMMARY

In March 2003, Texas Comptroller Carole Keeton Strayhorn began a review of the Morgan Independent School District (MISD). Based upon more than five months of work, this report identifies MISD's exemplary programs and suggests concrete ways to improve district operations. If fully implemented, the Comptroller's 39 recommendations could result in net savings of $351,957 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 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 Morgan ISD

Comptroller Strayhorn selected Morgan for a review in January 2003 because of the district's *Academically Unacceptable* rating from the Texas Education Agency (TEA) and negative fund balance. The review team began onsite work in March 2003. The Comptroller's office selected SoCo Consulting, Inc., an Austin-based firm, to assist the agency with the review at a cost of $24,950.

The review team interviewed district employees and board members and conducted a public forum at the MISD cafeteria on March 24, 2003 from 3:00 p.m. to 7:00 p.m. To ensure that all stakeholder groups had an opportunity for input, TSPR sent surveys to students, parents, teachers, campus and central administrators and support staff. A total of 48 respondents answered surveys. Six administrative and support staff; five teachers; 25 parents and 12 students completed written surveys as part of the review. Details from the surveys and the public forum appear in **Appendices A** through **E**.

The review team also consulted two TEA databases of comparative educational information, 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: Megargel, McDade, Penelope, Prairie Lea and Cranfills Gap ISDs. TSPR also compared MISD to district averages in TEA's Regional Education Service Center XII (Region 12), to which MISD belongs, and to the state as a whole.

The district uses several strategies to control costs and maximize its limited dollars in order to replenish its general fund balance that was depleted due to increased construction costs of its cafeteria. The district uses an accounting firm instead of incurring the cost of an employee to perform accounting functions, limits central and campus administrative

costs, supplements its paid workforce by using employees from Experience Works and secured grant funding to build its technology infrastructure. Savings realized from the district's conservative fiscal operations has enabled the district to pay-off its bank loan and use those funds to replenish the general fund balance which the superintendent estimates will be a positive $68,000 by the end of 2002-03.

During its five-month review, TSPR developed 39 recommendations to improve operations and save taxpayers $400,162 by 2007-08. Cumulative net savings from all recommendations (savings minus recommended investments or expenditures) could reach $351,957 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 could improve the district's overall operations.

Acknowledgements

The Comptroller's office and SoCo Consulting, Inc. wish to express appreciation to the MISD Board of Trustees, Superintendent Charles McGehee, district employees, students, parents and community residents for their assistance and input during the review.

Morgan ISD

MISD is located in the City of Morgan, which lies in Bosque County about 50 miles northwest of Waco and has a population of 467. In 2002-03, MISD served 159 students in one school.

In 2002-03, 50.9 percent of MISD's students were Anglo, 3.1 percent African American and 45.9 percent Hispanic. More than 88 percent of the district's students are considered economically disadvantaged. Of the 16 teachers employed in the district, 87.6 percent are Anglo and 12.4 percent are African American.

Although MISD's Texas Assessment of Academic Skills (TAAS) passing rate has improved by more than 43 percent during the last five years, the district's overall TAAS passing rate in 2001-02 was 75 percent, which falls 10.3 percentage points below the statewide average of 85.3 percent. In 2001-02, TEA rated the district as *Academically Unacceptable* due to eighth grade student performance on the Social Studies portion of the exam. The same test results caused the middle school to receive a *Low Performing* rating. Preliminary results of the Texas Assessment of Knowledge and Skills (TAKS) tests given in Spring 2003 show that MISD scores range from 33 percent of grade 7 students passing the mathematics

to 100 percent of grade 11 students passing both the English language arts and mathematics tests.

Exhibit 1 details the demographic characteristics of MISD and its peer districts.

Exhibit 1
Demographic Characteristics
MISD and Peer Districts
2002-03

| District | Student Enrollment | Racial/Ethnic Percentage | | | | Percent Economically Disadvantaged |
		Percent African American	Percent Hispanic	Percent Anglo	Percent Other	
Prairie Lea	245	9.4%	35.5%	55.1%	0.0%	78.4%
McDade	221	0.9%	37.1%	61.5%	0.5%	51.1%
Penelope	180	1.7%	21.7%	75.6%	1.1%	68.3%
MISD	**159**	**3.1%**	**45.9%**	**50.9%**	**0.0%**	**88.1%**
Cranfills Gap	123	0.0%	8.9%	91.1%	0.0%	61.8%
Megargel	57	1.8%	21.1%	77.2%	0.0%	87.7%
Region 12	**139,468**	**23.2%**	**22.0%**	**52.6%**	**2.2%**	**49.9%**
State	**4,239,911**	**14.3%**	**42.7%**	**39.8%**	**3.2%**	**51.9%**

Source: TEA, PEIMS, 2002-03.

MISD served 159 students during 2002-03, the same enrollment as 1998-99 (**Exhibit 2**). District officials expect enrollment to continue to remain relatively stable over the next several years.

Exhibit 2
MISD Student Enrollment History
1998-99 through 2002-03

School Year	Actual Student Enrollment	Percent Change from 1998-99
1998-99	159	N/A

1999-2000	150	(5.7%)
2000-01	145	(8.8%)
2001-02	153	(3.8%)
2002-03	159	0.0%

Source: TEA, AEIS, 1998-99 through 2001-02 and PEIMS, 2002-03.

The district employs a staff of 30.8 full-time equivalent positions of which 52 percent are teachers. The district's 2002-03 budget was $1.4million. MISD budgets 45.7 cents of every dollar on instruction in 2002-03, which is 5.3 percentage points lower than the 51-cent state average.

Since the district does not have any bonded indebtedness, all of MISD's 2002 tax rate of $1.43 per $100 value goes to maintenance and operations. In 2001-02, MISD's property value was $200,256 per student, compared to the state average of $236,543 per student.

While TSPR found many exemplary programs and practices implemented by district staff, MISD faces a number of challenges including:

- improving finances and operations;
- providing better information to the board to improve decision-making; and
- improving student performance.

Improve Finances and Operations

Correct Public Education Information Management System (PEIMS) errors and revise processes to verify data before submitting to the Texas Education Agency. Past PEIMS information submitted to TEA has included inaccurate information. In 2002-03, MISD listed fewer special education students than the district had and educational aides were reported as auxiliary personnel, which misreported both personnel categories. From 1997-98 through 2000-01, MISD also reported inaccurate enrollment numbers, which caused an overpayment from TEA that later had to be repaid. As a result, in 2001-02, the district experienced a $375,037 shortfall for that year. By developing a process to identify reporting errors and verify data before it is submitted, MISD can ensure that accurate data is reported to TEA, prevent future disruptions in annual state payments and ensure MISD will receive appropriate levels of state funding.

Provide job descriptions and a written annual performance evaluation to each noncertified employee. The district does not have written job

descriptions for noncertified employees and does not conduct formal written annual performance evaluations for all aides and support staff. Although the superintendent has completed new job descriptions for the PEIMS clerk and the library aide, none of the other noncertified positions have written job descriptions. Written job descriptions provide districts with a useful tool to evaluate employee performance and ensure the district hires staff with the correct skills to replace employees who leave the district.

Create a facilities planning committee and develop a long-range facilities master plan. MISD does not have a long-range facilities plan or a planning committee to set priorities for capital improvement projects, determine a funding approach or tie the approach to future enrollment. The lack of a specific plan with close supervision from district officials is a chief reason that MISD experienced cost overruns and depleted its fund balance during its recent cafeteria renovation. In addition, in December 2002 the district bought a piece of land that has no clear purpose for school operations. While the board and superintendent want to make additional facilities improvements and expansions, an analysis shows that the district's square footage per student exceeds industry standards. By forming a facilities planning committee and developing a facilities master plan, the district will inform all stakeholders of any possible facilities upgrades, take into account future student enrollment trends and avoid cost overruns on future construction projects.

Require teachers to pay for meals eaten in the cafeteria. Teachers eat for free in the cafeteria if they agree to monitor students during mealtime activities. As a result, more teachers eat in the cafeteria than are needed to monitor students causing a loss for the district, which already has an annual food service deficit. Requiring teachers to pay for meals in the cafeteria could generate $3,740 in additional revenues annually and help to reduce the deficit.

Reduce cafeteria food costs to industry standards. MISD's food costs exceed industry standards because the district does not purchase its food products from a purchasing cooperative and it lacks sound inventory management practices. In addition, the Food Services Operation does not use preprocessed commodities, and the head cook often purchases food at the last minute at a higher cost. By using industry best practices to lower food costs to industry standard, MISD could save nearly $26,000 each year.

Provide Better Information to the Board to Improve Decision-making

Provide the board with clear, usable assessment data. The district does not analyze state assessment data and present the information in a manner

that the board and staff can easily understand. Historically, district officials present all state assessment results annually in a one-page statistical summary that compares MISD scores to state and regional averages. Although MISD improved its TAAS scores by 22.8 percentage points between 1997-98 and 2001-02, the district's passing rate of 75 percent remains 10.3 percentage points below the state's passing rate of 85.3 percent. By analyzing state assessment data to identify specific areas of strength and weakness, the district can develop effective corrective action plans.

Establish a policy for management of the fund balance and provide reports to the board. The district does not have a fund balance management policy and has been operating with a deficit fund balance since 1998-99. To deal with the emergencies, districts should have adequate reserves on hand and TEA has a formula that is used to calculate the optimum amount for each district. A fund balance management policy will enable district officials to monitor the status of the general fund balance and understand the impact of finance-related decisions.

Generate a complete set of financial statements each quarter for review by board members and appropriate administrative staff. Board members do not receive regular financial statements in their monthly board packets. While board members see a list of checks that were written during the previous month, staff do not provide balance sheets, income statements, cash flow statements and trends or forecasts on a monthly or quarterly basis, hampering the board's ability to assess the district's financial health on an ongoing basis. Cost overruns on facilities, food service deficits, and PEIMS reporting errors indicate the board is not appropriately monitoring operations. Lack of financial reports makes it difficult or impossible for the board to act quickly to remedy financial problems. Reviewing complete financial statements will keep the board better informed about the district's financial activities and help ensure that the district achieves financial strength.

Improve Student Performance

Document and use disaggregated test results to improve student performance. Although TEA rated MISD as *Academically Unacceptable* specifically because of the low (20 percent) eighth grade passing rate on the Social Studies portion of the statewide assessment (TAAS), the district does not use assessment data or end of course exams to isolate areas of need or develop detailed improvement strategies. Preliminary Texas Assessment of Knowledge and Skills (TAKS) results indicate that only 40.0 percent of the district's third graders passed the Reading test, compared to 89.2 percent statewide. By using all available student achievement data including test scores and course grades, the district can

tailor teacher training, performance objectives and strategies to address identified deficiencies by grade level, subject area and student population group.

Develop strategies to increase student participation and performance on college entrance examinations. MISD's 20 percent student participation rate for college entrance exams falls well below regional (59.5 percent) and state (62.9 percent) averages, as does student participation rates in advanced courses. The district also did not have any recorded student passing rates for either the SAT or the ACT entrance exams in 2001-02. No high school students took any advanced courses in 1999, 2000, 2001 or 2002. By encouraging students to take college entrance examinations and improving their passing scores through a variety of strategies including advanced placement courses, the district can help students increase their academic knowledge base and expand future career opportunities.

Promote the use of distance learning for students, faculty, administrators and board members. Although the district has a distance learning lab, MISD administration, faculty, board members and students do not fully use this equipment. Only one student in both 2001-02 and 2002-03 took virtual coursework. Although the district offers computer classes in a lab setting for all but 90 minutes each day, no schedule exists for other teachers and students to use the lab to supplement the curriculum during free times. By promoting distance learning, the district can increase the academic opportunities available to students, faculty, administrators and board members.

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 publishes a board calendar that includes critical events requiring board action so that board meeting agendas can be planned more effectively.*** The superintendent developed and published a 2002-03 calendar listing the required board actions for the entire school year. The calendar identifies by month the major events that the board and the superintendent must perform during the year. Events include but are not limited to: the superintendent's evaluation; ordering the board election; announcing the board training hours; reviewing the district improvement plan; reviewing

the audit report; reviewing and approving the requested budget; evaluating the tax rate; and considering the student code of conduct. The calendar has enabled the district to address necessary board actions when required.

- ***MISD has centralized activity fund management.*** MISD has consolidated the oversight of student activity funds. The superintendent's secretary receives any money raised by student organizations or activity funds and verifies the amount's accuracy. Centralized activity fund management allows tight control over student activity funds and reduces the risk of mismanagement or theft.

- ***The district conducts routine maintenance and improvements to increase the life of its facilities and provide a good learning environment.*** MISD maintenance staff keeps the district's facilities in good condition. At the beginning of the summer, the superintendent and the maintenance person jointly examine district facilities to note items that need repair. The district has established a process that keeps even the main building, built in 1917, in excellent condition, providing a good learning environment for MISD students.

- ***MISD maintains a secure campus through a variety of strategies and collaborative staff efforts.*** One of MISD's performance objectives in its District Improvement Plan concerns providing a safe environment for learning, and the district has identified multiple strategies to achieve this objective. The district keeps the external doors to the school locked, changed the locks and re-keyed external doors, installed panic hardware, keeps all classroom doors locked and requires all visitors to ring the school's doorbell and be let in, register at the office and wear a visitor badge. The district is planning to install surveillance cameras in the halls so that classrooms can then be kept unlocked.

- ***MISD has developed and routinely tests its Emergency Response Checklist to ensure the safety of students and staff in the event of emergencies.*** The district developed a checklist of activities to be followed in case of accidents, assaults, bomb threats, chemical spills, child abuse, kidnapping, death, fire, gang altercations, operational crisis, riots, security breaches and natural disasters. To ensure the emergency checklist can be carried out effectively, the district periodically executes practice drills.

Savings and Investment Requirements

Many of TSPR's recommendations would result in savings and increased revenue that the district could use 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 39 ways to save MISD $400,162 in gross savings over a five-year period. Reinvestment opportunities will cost the district $48,205 during the same period. Full implementation of all recommendations in this report could produce net savings of $351,957 by 2007-08.

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

Year	Total
2003-04 Initial Annual Net Savings	$15,359
2004-05 Additional Annual Net Savings	$87,587
2005-06 Additional Annual Net Savings	$87,587
2006-07 Additional Annual Net Savings	$87,587
2007-08 Additional Annual Net Savings	$87,587
One Time Net Savings (Costs)	($13,750)
TOTAL SAVINGS PROJECTED FOR 2003-08	**$351,957**

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

TSPR recommends the MISD board ask district administrators to review the recommendations, develop an implementation plan and monitor its progress. As always, TSPR staff is available to help implement proposals.

EXECUTIVE SUMMARY

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 Provide the board with clear, usable assessment data. p. 20	$0	$0	$0	$0	$0	$0	$0
2 Track and report the board's continuing education hours to ensure fulfillment of state-mandated training requirements. p. 21	$0	$0	$0	$0	$0	$0	$0
3 Include more detail in minutes about board discussions and the impact decisions may have on the district. p. 23	$0	$0	$0	$0	$0	$0	$0
4 Revise board agendas and produce a flyer on how	$0	$0	$0	$0	$0	$0	$0

	to participate in board meetings to encourage public input. p. 25							
5	Correct Public Education Information Management System (PEIMS) errors and revise processes to ensure correct data are reported to TEA. p. 27	$0	$0	$0	$0	$0	$0	$0
6	Develop a community involvement plan. p. 30	$0	$0	$0	$0	$0	$0	$0
7	Use high school students to create and regularly update a Web site for the district. p. 30	$0	$0	$0	$0	$0	$0	$0
8	Monitor the student-to-staff ratio and adjust staff accordingly. p. 35	$14,580	$29,160	$29,160	$29,160	$29,160	$131,220	$0
9	Provide job descriptions and a written annual performance evaluation to	$0	$0	$0	$0	$0	$0	$0

	each non-certified employee. p. 37							
	Totals-Chapter 1	**$14,580**	**$29,160**	**$29,160**	**$29,160**	**$29,160**	**$131,220**	**$0**
Chapter 2: Educational Service Delivery								
10	Develop and implement a program review to improve student performance. p. 49	$0	$0	$0	$0	$0	$0	$0
11	Document and use disaggregated assessment data to identify student and staff needs and develop student improvement plans, instructional strategies and staff training. p. 52	($1,250)	($550)	($550)	($550)	($550)	($3,450)	($950)
12	Develop curriculum guides for all courses and grade levels and implement a curriculum development, review, revision and update schedule. p. 54	($26,325)	($1,170)	($1,170)	($1,170)	($1,170)	($31,005)	($1,500)

13	Include detailed goals, strategies and funding in the District Improvement Plan and corresponding Campus Improvement Plan. p. 56	$0	$0	$0	$0	$0	$0	$0
14	Develop a college preparation plan that includes increased counseling, staff development and student participation in Advanced Placement courses and pre-college entrance examinations. p. 59	$0	$0	$0	$0	$0	$0	$0
15	Revise identification and screening procedures to ensure all gifted and talented students are identified and served according to the *Texas State Plan for the Education of Gifted and Talented*	$0	$0	$0	$0	$0	$0	$0

	Students. p. 63							
16	Strengthen the CATE program by broadening course offerings, involving business representatives and developing articulation agreements with local colleges. p. 66	$0	$0	$0	$0	$0	$0	$0
17	Coordinate the development of a shared technology specialist between surrounding school districts. p. 82	$0	$0	$0	$0	$0	$0	$0
18	Prepare a disaster recovery plan. p. 85	$0	$0	$0	$0	$0	$0	$0
19	Develop an action plan to fully implement distance-learning programs and promote the use of distance learning for students, faculty, administrators and board members. p.	$0	$20,150	$20,150	$20,150	$20,150	$80,600	$0

#	Description							
	86							
20	Establish and implement a computer lab schedule and a portable computer lab. p. 88	$0	$0	$0	$0	$0	$0	($10,000)
	Totals- Chapter 2	**($27,575)**	**$18,430**	**$18,430**	**$18,430**	**$18,430**	**$46,145**	**($12,450)**
Chapter 3: Financial Management								
21	Establish a policy for management of the general fund balance and provide reports to the board. p. 99	$0	$0	$0	$0	$0	$0	$0
22	Generate a complete set of financial statements each month for board members and appropriate administrative staff. p. 101	$0	$0	$0	$0	$0	$0	($800)
23	Establish a Budget Planning Committee and a budget calendar to assist in preparing the budget. p. 103	$0	$0	$0	$0	$0	$0	$0
24	Prepare a formal budget document including an	$0	$0	$0	$0	$0	$0	$0

#	Description							
	executive summary and other narrative information to support and explain the district's budget. p. 105							
25	Aggressively seek to collect current and delinquent taxes and increase revenues. p. 107	$5,158	$10,316	$10,316	$10,316	$10,316	$46,422	$0
26	Prepare purchase orders and encumber funds when purchases are initiated. p. 109	$0	$0	$0	$0	$0	$0	$0
27	Use purchasing cooperatives to conform to district purchasing policies while obtaining the best purchasing value. p. 110	$0	$0	$0	$0	$0	$0	$0
28	Develop and maintain a fixed asset management system. p. 113	$0	$0	$0	$0	$0	$0	$0
	Totals- Chapter 3	**$5,158**	**$10,316**	**$10,316**	**$10,316**	**$10,316**	**$46,422**	**($800)**
	Chapter 4: Operations							

#	Description							
29	Develop a bus preventive maintenance program. p. 124	$0	$0	$0	$0	$0	$0	$0
30	Develop and adhere to a bus replacement policy. p. 126	$0	$0	$0	$0	$0	$0	$0
31	Conduct safety meetings with bus drivers and require buses to be cleaned twice a week. p. 127	$0	$0	$0	$0	$0	$0	$0
32	Make the necessary repairs to make the playground safe and perform weekly maintenance. p. 132	$0	$0	$0	$0	$0	$0	($500)
33	Implement cleaning standards and develop a cleaning schedule to ensure restrooms and classroom carpets are adequately cleaned. p. 133	$0	$0	$0	$0	$0	$0	$0
34	Create a facilities	$0	$0	$0	$0	$0	$0	$0

	planning committee and develop a long-range facilities master plan. p. 137							
35	Request an energy management audit and create an energy management plan. p. 138	$0	$0	$0	$0	$0	$0	$0
36	Provide quarterly reports to the board to increase awareness of the financial status of the food services operation. p. 141	$0	$0	$0	$0	$0	$0	$0
37	Reduce food costs to industry standards. p. 143	$19,456	$25,941	$25,941	$25,941	$25,941	$123,220	$0
38	Require teachers to pay for meals eaten in the cafeteria. p. 144	$3,740	$3,740	$3,740	$3,740	$3,740	$18,700	$0
39	Require students to pay in advance for meals eaten in the cafeteria. p. 145	$0	$0	$0	$0	$0	$0	$0

Totals-Chapter 4	$23,196	$29,681	$29,681	$29,681	$29,681	$141,920	($500)
Total Savings	$42,934	$89,307	$89,307	$89,307	$89,307	$400,162	$0
Total Costs	($27,575)	($1,720)	($1,720)	($1,720)	($1,720)	($34,455)	($13,750)
Net Total	$15,359	$87,587	$87,587	$87,587	$87,587	$365,707	($13,750)

Total Gross Savings	$400,162
Total Gross Costs	($48,205)
Net Savings	$351,957

Chapter 1
DISTRICT ORGANIZATION AND MANAGEMENT

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

A. District Governance and Management
B. Community Involvement
C. Personnel

Effective organization and management of a school district requires cooperation between the elected Board of Trustees and district staff. A Board of Trustees helps create a shared community vision for enhanced student achievement, guides efforts to achieve that vision and measures the results. The board sets district goals and policies, approves implementation plans and provides the necessary funds to complete the plans.

The superintendent serves as the district's chief executive officer for a contract period that is subject to renewal. The superintendent recommends staffing levels and the resources needed to operate the district and implementing objectives to achieve board goals. The superintendent reports management information to the board and ensures that the district staff is held accountable for performance of assigned duties.

BACKGROUND

A small rural community of 485 in Bosque County, Morgan lies 30 miles from a town of any significant size and 50 miles from a major city. The town is seven miles south of the county seat of Meridian, eight miles west of Walnut Springs, 10 miles east of Kopperl and 20 miles north of Rio Vista. A volunteer fire department and the county sheriff, who lives in Meridian, serve Morgan. The two largest businesses in Morgan are a convenience store and a coffee shop/restaurant. Many residents work for lime plants in Clifton and Cleburne. A Fort Worth audit firm and a Cleburne accounting firm perform contracted services for the district. The Texas Association of School Boards (TASB) and an Austin law firm provide the district with legal services.

MISD has a high percentage of students who lack enhanced educational opportunities in the home and whose economic condition limits enrichment activities outside the community. More than 88 percent of MISD's student population is classified as economically disadvantaged. Regular education students account for 82 percent or 130 students, and special education accounts for 18 percent or 29 students. Because of

community economic conditions, school enrollment fluctuates significantly during the year but does not vary drastically from year to year.

Although MISD enrollment has been relatively stable between 1998-99 through 2002-03, the district had a slight increase in 2001-02 and 2002-03 after decreases in 1999-2000 and 2000-01 (**Exhibit 1-1**). Morgan has one school for pre-kindergarten through grade 12.

Exhibit 1-1
MISD Enrollment
1998-99 through 2002-03

Year	Enrollment	Enrollment Change from Previous Year	Percentage Change from Previous Year	Percentage Change from 1998-99
1998-99	159	N/A	N/A	N/A
1999-2000	150	(9)	(5.7%)	(5.7%)
2000-01	145	(5)	(3.3%)	(8.8%)
2001-02	153	8	5.5%	(3.8%)
2002-03	159	6	3.9%	0.0%

Source: Texas Education Agency (TEA), Academic Excellence Indicator System (AEIS), 1998-99 through 2001-02 and Public Education Information Management System (PEIMS), 2002-03.

Chapter 1

DISTRICT GOVERNANCE AND MANAGEMENT

The superintendent implements board policy in the most cost-effective and efficient manner possible. In accordance with the Texas Education Code (TEC), the superintendent has the following areas of responsibility:

- plan, operate, supervise and evaluate district educational programs, services and facilities;
- assign and evaluate district personnel;
- terminate or suspend staff members and determine whether to renew staff-member term contracts;
- manage day-to-day district operations;
- prepare district budgets;
- make policy recommendations to the board and implement adopted policies;
- develop appropriate administrative regulations to implement board policies;
- provide leadership in attainment of student performance; and
- organize the district's central administration.

Section 11.254(a) of the TEC requires "each school district to maintain current policies and procedures to ensure that effective planning and school-based decision-making occur at each school to direct and support the improvement of student performance." Boards should focus on the decision-making process, planning and providing necessary district resources. The board's knowledge and ability to focus on its policy duties help determine its success.

MISD's Board of Trustees has seven members, all elected at large for three-year terms on a rotating basis. The average number of years served by current board members is 2.9 (**Exhibit 1-2**).

Exhibit 1-2
MISD Board of Trustees
2002-03

Board Member	Board Position	Took Office	Term Expires	Years of Service	Occupation
Clinton Barber	President	1998	2004	5	HVAC repairman
Monica Tharpe	Vice-	1999	2005	4	Security officer

	President				
Marilee Greenwood	Secretary	2001	2004	2	Office worker
Geneva Perez	Member	1996	2005	7	Nursing home aide
Billye Lou McGehee	Member	2001	2004	2	Office worker
Pat Murphy	Member	2003	2006	0	Retired financial consultant
Bryan Grounds	Member	2003	2006	0	Engineer

Source: MISD school board members list and MISD board member and superintendent interviews.

The MISD board meets on the third Tuesday of every month in the school cafeteria, which can accommodate a large audience. The district posts a meeting agenda that contains the date, time, place and discussion items on the front window of the school's main entrance.

Few visitors or community members attend the board meetings, which usually last an hour and a half. Board minutes show that the board conducted only three executive sessions from February 2002 through February 2003 to discuss personnel matters. The board also uses the cafeteria for any special-called meetings. In 2002-03, the board met in three special meetings to discuss the superintendent's evaluation and the budget.

The district's administration seeks to facilitate and support student learning by directing every possible dollar and resource into the classroom. **Exhibit 1-3** shows the tenure of MISD's last four superintendents.

Exhibit 1-3
MISD Superintendents

Start Date	Superintendent
2000	Charles McGehee
1992	John Bryant
1986	Leon Hickox
1978	R. W. McGehee

MISD employs a staff of 30.8 full-time equivalent positions, which includes 16.1 teachers, one superintendent, 1.9 central administrators, 6.5 auxiliary staff, 4.5 educational aides and 0.8 contracted cooperative positions. Contracted positions include a nurse two days a week, a counselor one day a week and a librarian for one day a week. All teachers and educational aides report directly to the principal, and all other staff report to the superintendent (**Exhibit 1-4**).

Exhibit 1-4
MISD Organization
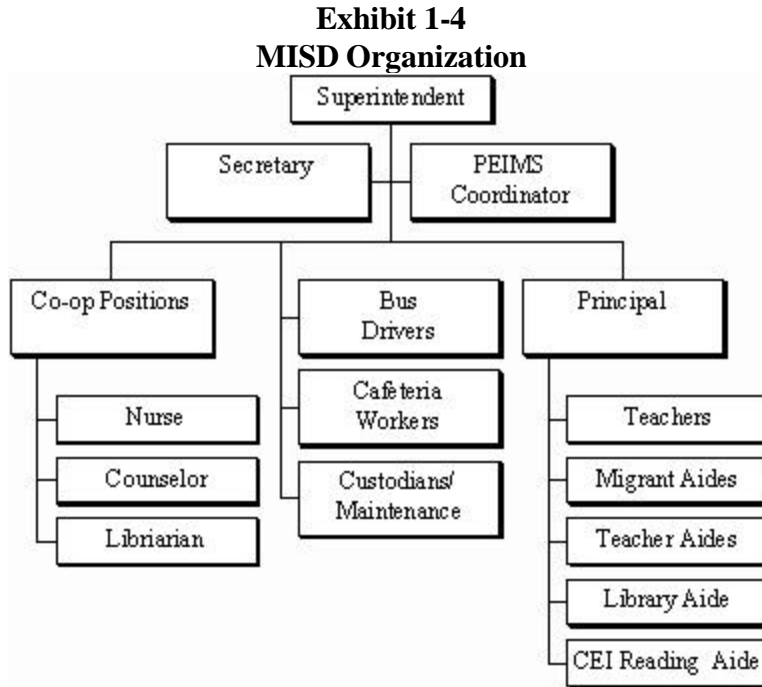
Source: MISD superintendent interview, March 2003.

MISD selected five Texas school districts to serve as peer districts for comparative purposes: Cranfills Gap, Megargel, McDade, Penelope and Prairie Lea ISDs. MISD budgets the second-highest amount per student among its peers; only Megargel spends more per student. **Exhibit 1-5** compares MISD's total budgeted expenditures with the peer districts, by total per-student expenditures.

Exhibit 1-5
Total Budgeted Expenditures
MISD and Peer Districts
2002- 03

District	Total Budgeted	Student Enrollment	Total Expenditures

	Expenditures		per Student
Megargel	$766,580	57	$13,449
MISD	**$1,434,727**	**159**	**$9,023**
Cranfills Gap	$1,083,151	123	$8,806
Penelope	$1,444,464	180	$8,025
McDade	$1,828,331	221	$8,273
Prairie Lea	$1,389,422	245	$5,671

Source: TEA, PEIMS, 2002-03.

FINDING

During 2002-03, the superintendent developed and published a calendar listing required board actions for the school year. This calendar will be prepared by the superintendent annually and presented to the board for approval. During the year, the board or the superintendent adds other important events to the calendar. Events include the superintendent's evaluation; ordering the board election; announcing board training hours; reviewing the district improvement plan; audit report review; budget review and approval; tax-code evaluation; and the student code of conduct approval.

The district found that verbally relaying expectations or deadlines did not guarantee that the board and the superintendent took timely action. Listing critical dates and events in writing for easy access by all members ensures that the board does not overlook major responsibilities. A written board calendar, developed and agreed upon by the board and the superintendent provides a useful way to track what requires board attention. The calendar clarifies the schedule of critical events, helps the board and administration to prioritize work that needs to be done and ensures that the board is kept apprised of district affairs.

COMMENDATION

MISD publishes a board calendar that includes critical events requiring board action that enable board meeting agendas to be planned more effectively.

FINDING

The superintendent conducts an annual teacher and student survey to identify areas of concern or improvement opportunities. The superintendent designed a one-page survey to question teachers and senior

students about facilities, students, curriculum, faculty/staff, activities and other items. One survey question asks what makes MISD unique or better than other schools.

Results for 2002-03 indicated that students wanted locker rooms and showers to be improved; cleaner bathrooms; more clubs in order to broaden their skill sets and support their varied interests; art classes; and distance-learning advanced-placement classes. The students also wanted the faculty and staff to be stricter in managing students while making learning more fun. Students indicated that MISD has less violence than most other schools. The superintendent reviews and shares the results of the surveys with the board. If there is any item that the board finds unusual or that needs specific attention, it instructs the superintendent to rectify the situation.

COMMENDATION

The MISD superintendent administers an annual survey to stay informed about student and teacher needs and provides the information to the board.

FINDING

The board does not have access to or use detailed assessment results to monitor and improve academic programs.

Each year, MISD administrators provide the board with a one-page summary of state assessment scores and a five-year history of student performance compared to the state and the region. Because the performance report shows data in percentages, it is difficult for board members to discern the actual number of students who did not perform well. Board members said that the present report format is difficult to read and understand, and they have difficulty determining what needs to be improved.

Regardless of size, all school districts receive the same assessment report. Used effectively by a district, the data contained in the reports can help a district improve student learning. While MISD student test scores have been rising, they still rank 10.3 percentage points lower than the state average. Because of limited information, the board has not been able to direct improvements to selected student populations that need the most improvement.

Boards that receive reports analyzing and clearly reporting Texas Assessment of Academic Skills (TAAS) data can better plan and help staff develop strategies to improve student performance. TAAS data that have

been disaggregated so that information can be viewed for selected segments of the student populations, especially those segments that perform lower than others, make the data more understandable and useful.

Beginning in 2002-03, the Texas Assessment of Knowledge and Skills (TAKS) replaced the TAAS. TAKS will measure student performance in reading and mathematics in grade 3, 6 and 9; reading, mathematics and writing in grades 4 and 7; reading, mathematics and science in grade 5; and mathematics, science, English/language arts and social studies in grades 10 and 11. Satisfactory performance on the TAKS is a prerequisite for high-school graduation for students who are enrolled in grade 9 or higher after January 1, 2001. Preliminary results of the TAKS tests given in Spring 2003 show that MISD scores rage from 33 percent of grade 7 students passing the mathematics to 100 percent of grade 11 students passing both the English language and the mathematics tests.

Recommendation 1:

Provide the board with clear, usable assessment data.

The principal and the Public Education Information Management System (PEIMS) coordinator should prepare board reports that show TAKS data in a format that helps board members understand the results. This will allow MISD to make data-driven decisions to improve student performance. Using disaggregated data, administrators and teachers can address concerns in enough detail in the district improvement plan to target educational improvement.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent directs the principal and the PEIMS coordinator to analyze and format TAKS data into useful reports for the board.	September 2003
2.	The principal and the PEIMS coordinator disaggregate the data and develop charts that highlight trends and spotlight improvement opportunities for the superintendent's approval.	October 2003
3.	The principal completes the board reports using 2002-03 data.	November 2003
4.	The superintendent and the principal present the educational performance report to the board with a plan of action to make improvements.	February 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not track and publish board members' continuing education hours. While board minutes reflect that each board member verbally stated their continuing education hours, the minutes do not show the actual hours or if the board member exceeded or was deficient in the required hours. The May 2002 board meeting minutes contained the statement:"Members of the board announced the number of hours they have accumulated for board training."

The Texas Administrative Code, Title 19, Part 2, Chapter 61, Subchapter A and rule 61.1 states that: "Annually, at the meeting at which the call for election of board members is normally scheduled, the current president of each local board of trustees shall announce the name of each board member who has completed the required continuing education, who has exceeded the required hours of continuing education, and who is deficient in the required continuing education. The president shall cause the minutes of the local board to reflect the information and shall make this information available to the local media."

The State Board of Education (SBOE) requirements for hours of in-service training for new and experienced board members are shown in **Exhibit 1-6**. State law (TEC 7.102 (c) 7) grants the SBOE the authority to provide and require training for school district boards. According to the Texas Administrative Code (Title 19, Part II, Section 61.1), the SBOE requires that new board members attend a minimum of 16 hours of in-service training for the first year. Experienced board members should receive eight in-service training hours annually and attend a legislative update session to maintain their understanding of Texas education requirements.

Exhibit 1-6
Overview of Continuing Education Requirements
for School Board Members

Type of Continuing Education	First Year Board Member	Experienced Board Member
Local district orientation	Required within 60 days of election or appointment; No specified length	Not required
Orientation to the Texas Education Code	Three hours	Not required

Update to the Texas Education Code	Incorporated into Orientation to the Texas Education Code	After legislative session: of sufficient length to address major changes
Team-building session/assessment of continuing education needs of the board-superintendent team	At least three hours	At least three hours
Additional continuing education, based on assessed need and framework for school board development	At least 10 hours	At least five hours
Total Minimum Number of Hours	**16 hours, plus local district orientation**	**Eight hours, plus update**

Source: Texas Administrative Code, Title 19, Part II, Section 61.1.

Recommendation 2:

Track and report the board's continuing education hours to ensure fulfillment of state-mandated training requirements.

The superintendent's secretary should develop a chart that shows the training needs for each board member and make it available to board members. Each board member should provide the hours of training attended to the superintendent's secretary so that she can compile data, maintain files and monitor training requirements. A report that shows the training requirements for each board member and training attended to meet those needs should be prepared and presented to the board annually.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent's secretary develops a report that identifies the training needs for each board member.	September 2003
2.	The superintendent presents the report to the board.	October 2003
3.	The chairman directs board members to provide the superintendent's secretary with information when they attend training so that efforts to meet training requirements can be monitored.	October 2003
4.	The superintendent's secretary makes training information available to each board member upon request.	November 2003

5.	The superintendent's secretary prepares a report of board training for the board president to announce the number of hours required for each board member for the school year, the number of hours attended and whether the board member is in compliance or lacks the required hours.	May 2004 and Annually Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD board minutes lack sufficient detail. The minutes do not describe the content of discussions about agenda items, making it impossible for the public to understand how the board made decisions or the impact of the decision on the district and the community. Board minutes contain the date of the meeting; the times of call to order and adjournment; members and visitors present; agenda item titles; motions made, including who made and seconded the motions; and votes taken by the board as a whole.

Exhibit 1-7 gives examples of actual MISD board meeting minutes. The November 2002 minutes authorize the superintendent to contact a property owner to ask about using or purchasing her property. The minutes do not reflect the proposed use of the property, the need, where the funds would come from and whether this alternative serves the district's best interest in the long-term.

Exhibit 1-7
Excerpts from Board Minutes
September and November 2002

Actual Recorded Minutes	Assessment
"Mr. McGehee has spoken with Kay Kingston about the possibility of purchasing property near the school."	Minutes do not reflect the reason the district wants to purchase the property, whether it fits into the facilities master plan, how the purchase will be funded and any alternatives reviewed.
"Clinton Barber moved to add, revise or delete (Local) policies as recommended by TASB Policy Service in accordance with instructions for Update 68."	Minutes do not explain the impact of this new policy on the district.

Source: MISD board meeting minutes, September and November 2002.

The *Handbook of Educational Administration* states, as a best practice, that board actions should contain "complete information as to each subject of the board's deliberations." It has been held that board minutes constitute the only legal evidence of board action (*Lewis* v. *Board of Education*, 348 S.W. 2d 921 [Ky. 1961]). MISD board policy states*:* "Board action shall be carefully recorded by the secretary or clerk; when approved, these minutes shall serve as the legal record of official board actions. BE (local)" Since school board minutes serve as the official record of board proceedings and actions, they must be meticulously kept. A person should be able to read the minutes and discern the issues that affect a particular board decision. Meetings provide a formal opportunity to exchange information and views, discuss policy and make decisions.

Recommendation 3:

Include more detail in minutes about board discussions and the impact decisions may have on the district.

The school secretary should develop a standard format for reporting board minutes that includes sufficient detail to explain the board activity. **Exhibit 1-8** shows a format that can be used to fully document minutes and the discussions that take place.

Exhibit 1-8
Suggested Minutes Format

Board Minutes for xx/xx/xx		
Item Number:	**Topic:**	
Item Description:		
Discussion:		
Motion:		
Motion by: _____	*Seconded by:* _____	
Votes:		
Vote Count: YES votes: _____ ; NO votes: _____ ; Abstentions: _____		
Follow-Up Action Items		
Action Item	***Assigned to***	***Return Date***

Source: SoCo Consulting, Inc.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The school secretary designs a recommended standard format for documenting board actions for the superintendent's and board president's approval.	September 2003
2.	The school secretary documents board activity in sufficient detail to fully explain activity of the board and presents the report to the superintendent for review and approval.	October 2003
3.	The superintendent presents the board chairman with detailed minutes for each board meeting.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Members of the Morgan community perceive that MISD does not want their participation at board meetings.

The district posts the board agenda on the front window of the school's main entrance. The board agenda is not posted in other locations where it is likely to be noticed by community members. The community has two important meeting spots, the coffee shop and the post office, that would be suitable for additional public postings. In a May 30, 2003 meeting, the superintendent told TSPR staff that in the future the agenda would be posted at the local post office.

The second item on each published board agenda lists "Recognition of visitors and communications." Nowhere on the agenda does it state the steps to follow when addressing the board about agenda items or non-agenda items, or whether public input is encouraged.

The Morgan community does not believe that there is sufficient time for its input or to discuss important issues at board meetings. In responses to a review team survey (**Exhibit 1-9**) of parents, district staff and teachers, seven of 25 responding parents said that the school board does not allow enough time for public input at meetings, although a review of the minutes shows that only one visitor, the accounting/audit firm, attended a board meeting in 2002-03. In 2002-03, no community member has requested time at a board meeting.

Exhibit 1-9
TSPR Survey Results
Question: Does the school board allow sufficient time for public input at meetings?

Survey Response Category	Parental Response	District Staff Response	Teachers' Response
Total Responses	**25**	**6**	**5**
Strongly agree	8.0%	16.7%	60.0%
Agree	12.0%	50.0%	40.0%
Agree Subtotal	**20.0%**	**66.7%**	**100%**
Neutral	**24.0%**	**16.7%**	**0.0%**
Disagree	28.0%	16.7%	0.0%
Strongly disagree	28.0%	0.0%	0.0%
Disagree Subtotal	**56.0%**	**16.7%**	**0.0%**

Source: TSPR Survey Results, March 2003.

Another area of concern for parents is whether the board listens to the opinions of others. Thirteen of the parents disagreed with the statement that board members listen to the opinions and desires of others (**Exhibit 1-10**). Twoof sixdistrict staff members also disagreed with the statement.

Exhibit 1-10
TSPR Survey Results
Question: School board members listen to the opinions and desires of others?

Survey Response Category	Parental Response	District Staff Response	Teachers' Response
Total Responses	**25**	**6**	**5**
Strongly agree	12.0%	16.7%	40.0%
Agree	16.0%	33.3%	60.0%
Agree Subtotal	**28.0%**	**40.0%**	**100.0%**
Neutral	**20.0%**	**16.7%**	**0.0%**
Disagree	28.0%	33.3%	0.0%
Strongly disagree	24.0%	0.0%	0.0%
Disagree Subtotal	**52.0%**	**33.3%**	**0.0%**

Source: TSPR Survey Results, March 2003.

Comments made during public forum also reflected the perception that the district does not listen to parents: "School shuns parents' involvement." and "Those that wish to be involved are not welcomed if you don't completely agree with the school's policies. The district is not involved in the community very much. The public is not made welcome in the school or at school board meetings."

Ingram ISD (IISD) posts agendas in local meeting spots to encourage public interest and participation at board meetings. IISD also created a brochure called "Welcome to the School Board Meeting," available to anyone unfamiliar with the process. The brochure contains the names and pictures of each school board member and the superintendent. It gives a brief summary of the board election process and the board's and superintendent's role in the district. It also provides information about the board's regular meeting times and dates, as well as the rules for public input. The brochure outlines the order of business for the board meeting and lists the names and phone numbers of key district administrative positions. The brochures give parents and community members valuable information about the board process, how meetings work and how to properly give their input to the board.

Recommendation 4:

Revise board agendas and produce a flyer on how to participate in board meetings to encourage public input.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent develops a statement that public participation during board meetings is welcome and explains the process for the public to participate in board meetings.	September 2003
2.	The superintendent adds the public participation statement and explanation to the board agenda.	October 2003
3.	The superintendent gathers other districts' brochures and flyers about involving the community in board meetings and drafts one for MISD.	October 2003
4.	The superintendent presents a flyer draft to the board for approval.	November 2003
5.	The principal makes copies and sends the flyer home with material distributed to parents and posts the flyer in the two local community gathering spots.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD's processes to verify information submitted to the Texas Education Agency (TEA) through PEIMS does not ensure data accuracy and integrity. Accurate data submissions are vital both to the district and the Texas public school accountability system, which is based on regular assessment of academic skills and extensive data gathered from schools through PEIMS. Based on the reported data, public schools receive an annual accountability rating, ranging from exemplary to low-performing. PEIMS data are used in the formulas that determine state and federal revenues that flow to the district. MISD's accountability rating and finances could be adversely affected if it does not correctly report PEIMS data.

TEA requires school districts to submit information three times a year through the PEIMS data collection process. In October, districts submit initial information on student enrollment, annual budget and staffing. In February, districts send audited financial information about actual district expenditures for the prior fiscal year. In June, districts submit final student data such as information on average daily attendance and other student and academic information for the year just completed. These data cover general district information, special education, bilingual education, career and technology education, compensatory education and gifted and talented education.

For 2002-03, the district provided inaccurate PEIMS numbers for special education students, auxiliary personnel and educational aides. PEIMS data included fewer special education students than the number the district has documented and also reported educational aides as auxiliary personnel, misreporting both categories of personnel. The district has also had problems with accurately reporting its enrollment projections, which resulted in TEA's withholding $375,037 of state revenue in the fall of 2001 to repay overpayments caused by the previous inaccurate reporting.

School districts with effective controls over PEIMS data submissions periodically conduct a thorough review of their data-gathering controls and processes. In addition, employees who are involved in the process are required to adhere to the checks and balances to ensure accuracy. The employees also continually monitor the quality of the data being gathered and reported. Finally, these districts follow up the reported data to verify that they have been accurately entered and reported.

The Port Arthur ISD created a five-step process to verify PEIMS data. District staff members are trained and also must have back-up. If any

errors are discovered, staff members cannot sign off until the information is corrected. The assistant superintendent took over PEIMS data collection and enlisted the assistance of the principals.

PEIMS information is reported to the principals who review it before it leaves their offices. The method makes principals accountable for whet they send to the Management Information System (MIS). MIS staff then report PEIMS data to TEA.

Recommendation 5:

Correct Public Education Information Management System (PEIMS) errors and revise processes to ensure correct data are reported to TEA.

The district should review its PEIMS data collection and reporting processes to identify why previous errors were made and revise the processes to ensure that data reported are accurate and comply with TEA guidelines.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent reviews student and staff data reported to PEIMS for 2002-03 and enrollment projections for previous years to identify why errors were made.	September 2003
2.	The superintendent reviews the processes to collect and report PEIMS data.	October 2003
3.	The superintendent revises the processes as necessary and trains the PEIMS coordinator on the revised processes.	November 2003
4.	The superintendent and the PEIMS coordinator review TEA coding instructions to ensure understanding of current reporting guidelines.	December 2003
5.	The principal and superintendent perform a quality assurance review prior to data being submitted to PEIMS.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1

B. COMMUNITY INVOLVEMENT

Local school districts should fill the needs of their community, which includes students, parents, non-parent residents and taxpayers. For the community to respond appropriately to district needs and concerns, it must be well informed about the issues the district faces. For this reason, districts need ways to disseminate information and to gather feedback from community members. Effective two-way communication helps school districts win the confidence, support and involvement of their communities. School districts also need the support of local organizations and businesses to enhance educational programs. A good partnership and outreach program should foster the district's relationship with the community and support school activities.

Community involvement and public relations are an integral part of school management-more than news releases or speeches, more than open house programs and newsletters and more than communication. The heart of community involvement is action in the public interest.

A district's community involvement program should persuade the community to be involved with the district. A district should also review the program to determine if it is achieving intended goals or if the results are worth the time and money spent. The review effort should also bring greater management visibility to the community involvement program accomplishments.

As in many other small districts, community involvement in MISD has to rely on a handful of people who perform a variety of community relations functions. The superintendent, the board members, the principal and teachers play the most significant roles in community involvement. All of the board members live in Morgan, but most teachers and the principal and superintendent live in other communities.

FINDING

In 2003, MISD developed and implemented procedures for community use of district facilities. The process began in fall 2002 with discussions about community use of district facilities at two board meetings. Using input from the meetings, the superintendent established district community use procedures. The rules include payment of a cleaning and/or repair deposit, criteria for return of the deposit, specifics of what would be allowed and not allowed, trash removal, stacking the chairs and tables and security precautions. Local churches and the fire department have used the

school cafeteria to hold their functions. These groups either provide food for the event themselves or hire MISD cafeteria staff.

Under the policy, applications must be submitted for district facility use to school principals, the athletic director or the superintendent, who approves applications in their respective areas. As long as no damage occurs and garbage is removed, the district refunds the $100 deposit. To date, MISD has leased the cafeteria to two organizations that would have held their activities elsewhere.

COMMENDATION

A new MISD policy makes district facilities available for use by the Morgan community.

FINDING

Because MISD does not communicate regularly with parents, they do not feel connected with the board and the school, do not regularly volunteer time, support district events or attend activities in which children do not serve as the focal point.

Parents and administrators responded negatively to several questions on TSPR surveys. Although district staff and teachers said that MISD regularly communicates with parents, 60 percent of the 25 parents who responded indicated that they do not think that the district does. Ten of the 15 parents surveyed strongly disagreed that MISD regularly communicates with parents (**Exhibit 1-11**). Although MISD occasionally publishes a newsletter, there is no targeted message directed at parents to solicit volunteers, to provide information about how they can help their children succeed in school or to announce board meetings and describe agenda items.

Exhibit 1-11
Question: The district regularly communicates with parents?
TSPR Survey Results

Survey Response Category	Parental Response	District Staff Response	Teachers Response
Total Responses	25	6	5
Strongly agree	0.0%	33.3%	100.0%
Agree	28.0%	50.0%	0.0%
Agree Subtotal	**28.0%**	**83.3%**	**100.0%**

Neutral	**12.0%**	**16.7%**	**0.0%**
Disagree	20.0%	0.0%	0.0%
Strongly disagree	40.0%	0.0%	0.0%
Disagree Subtotal	**60.0%**	**0.0%**	**0.0%**

Source: TSPR Survey Results, March 2003.

Few MISD parents are involved in the classroom. Parents can contribute to the classroom by: decorating bulletin boards, laminating learning tools, sorting papers and performing many other duties that help the learning process. Although parents in other districts are usually willing to help teachers be more effective, this does not appear to be the case at MISD.

Falls City ISD has a designated parent involvement coordinator who acts as a liaison between the community and the school district. The coordinator looks for ways to reach out to the community and enhance school-community relations. The district developed the following outreach activities:

- communicating regularly with parents by a letter, a note or a student notebook;
- sending welcome letters home with information packets to parents at the beginning of the year;
- creating a monthly calendar of school events, holidays and major test dates;
- encouraging parental assistance at school through the Book Fair, Parent-Teacher Organizations, athletic events and grant writing/review;
- notifying media for special events such as Parents' Night, school plays, band concerts and the Veterans Day assembly;
- providing occasional social events for parents and students such as walk-to-school day, grandparents' day and open house;
- offering summer cheerleading, basketball and baseball camps and computer classes;
- inviting parents to eat at school with their child during Texas School Lunch week; and
- scheduling after-school parent-teacher conferences or visit parents at home if they are unable to come to the school.

Santa Gertrudis ISD parents become involved in several ways. The parent-teacher organization supports the academic endeavors of the district by donating funds which supply rewards for students who meet their reading goals in the Accelerated Reading Program. Also, the club raises funds in a variety of ways to support the district scholarship fund. Club members

operate concession stands for home game sports events and have donated their time to help build a gazebo and a greenhouse and to landscape the schoolyard.

Recommendation 6:

Develop a community involvement plan.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The site-based decision-making committee creates and integrates a parent-community involvement plan into the campus improvement plan.	September 2003
2.	The superintendent reviews the plan and solicits a volunteer coordinator from the community for the program.	October 2003
3.	The volunteer coordinator and the superintendent prepare a flyer about the parent-community involvement plan and distribute it to parents.	November 2003
4.	The superintendent and the principal regularly provide newsletters, calendars and events to keep the community informed of district activities.	December 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not use the Internet to improve and enhance communication among the board, staff, parents, students and the community. MISD does not have a Web site to provide information on district activities and help keep the community and parents interested in the school district.

Although the district has the software to build a Web site, no district employee has been designated to develop and maintain a Web site. The technology coordinator has little time for this effort.

Some districts have engaged the journalism or advanced technology classes to design and maintain a Web site. Smithville ISD (SISD) disseminates information to the public in a cost-efficient, timely manner through its Web site. SISD's Web site contains an overview of the district, the district's mission, a list of board members, board agendas, board briefs, district accountability ratings, the school calendar, a list of administrators, e-mail addresses of all staff and specific school information. Homework

guidelines with strategies for teachers and parents are also posted on the site. Bastrop ISD also maintains a Web site that is widely used by the community, with information such as school calendars, board meetings, test data and individual school items.

Recommendation 7:

Use high school students to create and regularly update a Web site for the district.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The technology coordinator has students research other school district Web sites and gather appropriate information to include on the MISD Web site.	September 2003
2.	The students present ideas to the technology coordinator about Web site designs and create a sample design.	November 2003
3.	The students solicit feedback on the sample design from teachers, students, parents and community members.	December 2003
4.	The students and the technology coordinator use the feedback to finalize the design of the district's Web site.	January 2004 - March 2004
5.	The technology coordinator develops policies and procedures for placing and updating data on the Web site to the superintendent and board for approval.	April 2004
6.	The technology coordinator oversees the placement and updating of data on the Web site.	April 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1

C. PERSONNEL

Education is a labor intensive undertaking; personnel costs consume approximately 80 percent of the average school district budget. Personnel management includes staffing analysis, recruiting, hiring, salary and benefit administration and performance evaluation. Effective personnel management requires compliance with equal employment opportunity statutes and other applicable federal and state laws. Fair and workable policies, procedures and training programs are key elements in recruiting and retaining competent staff. Effective personnel management can help a district meet the needs of its employees and the data needs of district administration.

The superintendent supervises the MISD personnel functions. The board has adopted policies to govern the hiring, evaluation, termination, grievance and leave processes in the district. The superintendent ensures these policies are implemented and recommends policy changes to improve the district's personnel function.

Like most employers, MISD must comply with a variety of state and federal laws that govern human resource management. These laws include the Fair Labor Standards Act, which governs wage and hour payments; the Americans with Disabilities Act, which states that an employer must provide reasonable accommodation to any employee or applicant for a position who has a disability without which they would be able to carry out the job's duties; and the Equal Employment Opportunity Act, which prevents employers from making hiring and termination decisions based on age, race, religion, gender or other nonperformance-related factors. There are also state laws that govern the personnel administration of school districts.

The superintendent and the principal share personnel responsibilities at MISD. The principal evaluates teachers and aides. The superintendent handles recruiting and hiring, as well as auxiliary employee evaluations.

Exhibit 1-12 shows the average salaries earned by the district's professional employees over the past three years.

<div align="center">

Exhibit 1-12
Average Actual Salaries
1999-2000 through 2001-02

</div>

	1999-2000	2000-01	2001-02	Percentage Change 1999-2000 through 2001-02
Teachers	$33,719	$36,158	$36,470	8.2%
Professional Support	$31,780	-	-	N/A
Campus Administrators	$50,160	$51,710	$53,260	6.2%
Central Administration	$62,700	$60,988	$60,988	(2.7%)

Source: TEA, AEIS, 1999-2000 through 2001-02.

MISD teachers have more experience than those in selected peer districts and the state average, as shown in **Exhibit 1-13**. More than 56 percent of its staff has six or more years of experience, the highest among all the peer districts.

Exhibit 1-13
Teacher Experience
MISD, Peer Districts and the State
2002-03

District	Beginning	1-5 Years	6-10 Years	11-20 Years	Over 20 Years	Percent with More than Six Years of Experience
Cranfills Gap	0.0%	58.7%	25.4%	6.4%	9.5%	41.3%
Megargel	0.0%	45.5%	0.0%	27.3%	27.3%	54.6%
Penelope	10.7%	39.0%	10.7%	5.4%	34.2%	50.3%
Prairie Lea	27.7%	19.3%	14.5%	19.4%	19.3%	53.2%
MISD	**6.2%**	**37.2%**	**18.6%**	**24.8%**	**13.1%**	**56.5%**
State	**7.8%**	**28.2%**	**18.3%**	**24.4%**	**21.3%**	**64.0%**

Source: TEA, PEIMS, 2002-03.

MISD has a teacher turnover rate of 13.2 percent, compared to the state average of 15.7 percent in 2001-02. Teachers are paid the state minimum salary the first year with the district. The second year with the district, teachers receive $500 more annually than state minimum. The third year

and following years, teachers earn $1,000 more annually. The district accepts teacher applications at any time. Applications are reviewed first to fill vacant positions in the district. If a vacancy cannot be filled from the applicants on file, the district advertises the positions through Regional Education Service Center XII (Region 12) and other education-affiliated Web sites.

District employees receive five personal days through the state. The district also provides employees with a benefit plan offered through Scott and White Health Plan. The district is a member of the State Health Insurance plan but offers employees the following benefits (**Exhibit 1-14**), provided by Scott and White.

Exhibit 1-14
Scott and White Health Plan Benefit Summary
2002-03

Option	Standard Monthly Medical Rates
Employee	$242.43
Employee + Spouse	$583.42
Employee + Children	$426.53
Employee + Family	$725.42

Source: Scott and White Health Plan Monthly Premium Rate Sheet, 2002-03.

The district pays $225 toward the cost of health insurance for its employees. The Teacher Retirement System (TRS) provides $83.33 per month toward the cost of health insurance for each full-time employee. The only TRS plan that costs less than the Scott and White plan is TRS ActiveCare 1.

The other plans cost more than the plan provided by Scott and White, as illustrated in **Exhibit 1-15**.

Exhibit 1-15
Scott and White Health Plan Compared with TRS
2002-03

Option	TRS ActiveCare 1	TRS ActiveCare 2	TRS ActiveCare 3	Scott and White Total Monthly

				Rate
Employee	$237.00	$315.00	$399.00	$242.43
Employee and Spouse	$539.00	$717.00	$907.00	$583.42
Employee and Child (ren)	$377.00	$502.00	$635.00	$426.53
Employee and Family	$593.00	$789.00	$997.00	$725.42

Source: TRS Enrollment Guide and Scott and White Health Plan Monthly Premium Rate Sheet, 2002-03.

In February 2003, 20 out of 31 district employees were covered through Scott and White. Employees who opt not to be covered by this plan are paid $50 per month. The district will be required to change to the TRS plan at the beginning of 2003-04.

FINDING

The district encourages teacher aides and non-certified teachers to pursue their teaching certification. The district provides time off from work and the use of district facilities and equipment to employees who pursue a teaching certification. The superintendent extended the program to retain the new agriculture teacher who had a degree but was not certified. The district paid for the teacher's college tuition, and the employee is currently attending classes to earn his certification. The pre-kindergarten teacher aide is also pursuing a teaching degree. Because the district helps with college tuition, the employees have incentive to stay at MISD.

COMMENDATION

By actively supporting and encouraging non-certified teachers and teacher aides to obtain certification, the district enhances its teacher recruitment and retention efforts.

FINDING

MISD created a salary schedule to clearly define compensation for each district position. The superintendent created the schedule by analyzing staff salaries and hours and days worked and surveyingsix neighboring districts to determine what they paid bus drivers, custodians and cafeteria workers. The superintendent surveyed 11 districts to determine how much

to pay substitutes at MISD. Once the schedule was created, it was presented to the board for approval.

The schedule clearly defines how much the district pays teacher aides, teachers, the principal and the superintendent. These positions are paid based on the state minimum salary for teachers with a clearly defined adjustment. For example, aides are paid half of the state base teacher salary. The principal's pay is based on the teacher step for years experience multiplied by 1.3. The superintendent's salary is based on the teacher step for years of experience multiplied by 1.5. This removes subjectivity from the process and allows employees with similar experience, in similar positions to receive equal pay. The schedule is simple to understand, easy for an administrator or supervisor to communicate to an employee and easy for an employer to administer. The schedules help ensure that employees with similar experience receive equal pay.

COMMENDATION

MISD's salary schedule ensures fair, competitive compensation for district employees.

FINDING

The district uses employees from Experience Works to supplement its paid workforce. Experience Works, an organization funded under Title V of the Older Americans Act, enables low-income individuals, age 55 and older, throughout the United States to find work. Experience Works operates the Senior Community Service Employment Program (SCSEP) through the U.S. Department of Labor, which provides training and employment opportunities to low-income, older Americans in primarily rural areas. SCSEP helps individuals to remain productive and independent by contributing their talent and services to their communities while they earn a modest income. Participating seniors find fulfillment, add to their skills, train for further employment and stay off public assistance. In return, the district pays a modest donation of $40 each year to the organization.

The district employs a cafeteria worker and a library aide through this program and is actively working with the SCSEP to fill these recently vacated positions.

COMMENDATION

The district supplements its paid workforce by using employees from Experience Works.

FINDING

While MISD's student enrollment was relatively stable between 1998-99 and 2002-03, total staffing increased by 30.0 percent. In 1998-99 the district employed a staff of 23.7 full-time equivalent (FTE) positions and in 2002-03 staffing had increased to 30.8 FTEs.

Exhibit 1-16 shows MISD's staffing information by category for 1998-99 through 2002-03.

Exhibit 1-16
MISD Employees by Job Category
1998-99 through 2002-03

Employee Category	1998-99	1999-2000	2000-01	2001-02	2002-03	Percent Change 1997-98 through 2002-03
Teachers	13.0	14.5	15.1	16.1	16.1	23.8%
Professional Support	0.0	0.6	0.0	0.0	0.0	0.0%
School Administration	1.0	1.0	1.0	1.0	1.0	0.0%
Central Administration	1.0	0.9	1.9	1.9	1.9	90.0%
Total Professional Staff	**15.0**	**17.0**	**18.0**	**19.0**	**19.0**	**26.7%**
Educational Aides	2.0	1.0	0.0	0.0	4.5*	125.0%
Auxiliary Staff	6.8	6.8	8.8	11.8	7.3*	7.4%
Total Staff	**23.7**	**24.8**	**26.7**	**30.8**	**30.8**	**30.0%**
Students per Teacher	**12.2**	**10.3**	**9.6**	**9.5**	**9.9**	**(18.9%)**
Students per Staff	**6.7**	**6.0**	**5.4**	**5.0**	**5.2**	**(22.4%)**
Enrollment	**159**	**150**	**145**	**153**	**159**	**0.0%**

Source: TEA, AEIS, 1997-98 through 2001-02 and PEIMS 2002-03.
*Adjusted for 4.5 educational aides erroneously reported as auxiliary staff.

Although student enrollment was the same in 2002-03 as 1998-99 at 159 students, the number of teachers increased from 13.0 FTEs in 1998-99 to 16.1 FTEs in 2002-03 and educational aides increased from 2.0 FTEs in 1998-99 to 4.5 FTEs in 2002-03.

As a result of enrollment being the same in 2002-03 as it was in 1998-99 and the number of teachers and aides increasing, the student-to-teacher ratio decreased from 12.2 to 9.9, a decrease of 18.9 percent. The student-to-staff ratio also decreased from 6.7 to 5.2, a 22.4 percent decrease.

District's that monitor student enrollment and adjust staffing based on changes in the number of students are able to consistently provide adequate staff to meet the needs of its students and also maintain a proper student-to-teacher and student-to-staff ratio.

Recommendation 8:

Monitor student-to-staff ratio and adjust staff accordingly.

The district should monitor its student-to-staff ratio and adjust the number of staff only when student enrollment changes or when other conditions justify changes. To reduce its student-to-staff ratio, the district should eliminate two of the educational aides that were added since 1998-99.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent analyzes the duties and assignments of the district's educational aides and determines the two that should be eliminated.	November 2003
2.	The superintendent recommends to the board that two educational aides be eliminated.	December 2003
3.	The superintendent eliminates two educational aide positions and informs the employees of the change.	January 2004
4.	The two positions are eliminated.	February 2004

FISCAL IMPACT

The elimination of two educational aide positions will save the district approximately $29,160 a year ([$13,195 + $1,385 = $14,580] x 2 = $29,160) based on an estimated annual salary of $13,195 plus employee benefits of $1,385 ($13,195 x 10.5 percent = $1,385). First year savings of $14,580 are calculated at one half of the annual savings ($29,160 x 50 percent).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Monitor student-to-staff ratio and adjust staff accordingly.	$14,580	$29,160	$29,160	$29,160	$29,160

FINDING

Aides and support staff do not have written job descriptions and are not provided written feedback about their performance on an annual basis. According to the superintendent, verbal discussions are held annually with aides and support staff. In a meeting with the superintendent on March 30, 2003, the superintendent said that job descriptions have been written for the PEIMS clerk and the library aide.

Performance criteria should provide expectations for employees as well as feedback on their performance. Such criteria help employees to be more efficient and effective in their jobs by helping them plan their work and understand expectations, by offering periodic evaluations based on known criteria and by providing corrective feedback or reward for performance. A formal employee evaluation process gives employees an opportunity to submit feedback to their supervisors.

Center Point ISD (CPISD) uses job descriptions as a basis for performance appraisal of all non-certified employees. This process has created an effective instrument for evaluating staff performance and identifying areas of success and concern. In addition, it holds each employee accountable for the responsibilities and duties outlined in their job descriptions.

CPISD maintains all job descriptions in a consistent format and annually reviews job descriptions to ensure that they are current. Included on the job descriptions are the title, the administrator to whom the employee reports, qualifications, goals, performance responsibilities, terms of employment, the evaluation process and equipment used. The performance evaluations are then based on the duties set forth in the job description. Evaluation instruments ask the supervisor to rate the employee on each critical job element, on a scale from outstanding to unsatisfactory. All evaluation ratings are totaled to achieve an overall rating. The supervisor then provides specific comments for improvement.

By holding employees accountable, CPISD ensures that all employees are focused on the responsibilities and duties assigned to them.

Recommendation 9:

Provide job descriptions and a written annual performance evaluation to each non-certified employee.

The superintendent should complete the development of job descriptions for all non-certified employees and ensure that an annual written performance evaluation is conducted for each position.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent completes job descriptions for all non-certified employees and provides a copy to employees.	September 2003
2.	The superintendent conducts a written performance evaluation for each non-certified employee.	October 2003 and Annually Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
EDUCATIONAL SERVICE DELIVERY

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

A. Student Performance and Instructional Resources
B. Gifted and Talented Education
C. Career and Technology Education
D. Special Education
E. Dropout Prevention/Alternative Education
F. Library/Media Services
G. Safety and Security
H. Computers and Technology

An effective educational service delivery system aids student achievement and uses human and financial resources in a well-planned and coordinated manner.

BACKGROUND

MISD's one school serves 159 students from pre-kindergarten to grade 12. The district also operates an early childhood education program. The Texas Education Agency (TEA) rated the district as *Academically Unacceptable* in 2001-02 because only 20 percent of MISD's grade 8 students passed the Social Studies portion of the Texas Assessment of Academic Skills (TAAS). Statewide 83.7 percent of grade 8 students passed the test in 2001-02, and 83.7 percent of grade 8 students in Regional Education Service Center XII (Region 12), to which MISD belongs, passed the same test. In order for the district to receive an *Academically Acceptable* rating, at least 50 percent of its grade 8 students need to pass each portion of the statewide assessment. Additionally, preliminary results of the Texas Assessment of Knowledge and Skills (TAKS) administered in spring 2003 show that 33 percent of grade 7 students passed the mathematical portion and 100 percent of grade 11 students passed both English language arts and mathematics.

MISD selected five Texas school districts to serve as peer districts for comparative purposes: Cranfills Gap, McDade, Megargel, Penelope and Prairie Lea. McDade ISD, however, does not serve students in grades 9 through 12.

To make these comparisons, the review team relied on data from TEA's Academic Excellence Indicator System (AEIS) and Public Education Information Management System (PEIMS). The AEIS reports provide

demographic, staffing and financial data and summarize the more comprehensive PEIMS data reported by school districts each year. TEA sends these reports to each school and district and makes them available on its Web site at <http://www.tea.state.tx.us>. The latest AEIS data are for 2001-02; the latest PEIMS data available are for fall 2002-03.

In 2002-03, 50.9 percent of MISD's students were Anglo, 45.9 percent Hispanic and 3.1 percent African American. The district has 88.1 percent of its students classified as economically disadvantaged. MISD has the lowest percent of Anglo students and the highest percent of Hispanic students compared to selected peer districts. MISD percentage of economically disadvantaged students is higher than the state and regional averages and is higher than all of its peer districts.

Exhibit 2-1 presents demographic information for MISD, its peer districts, Region 12 and the state.

Exhibit 2-1
Demographic Characteristics
MISD, Peer Districts, Region 12 and State
2002-03

District	Student Enrollment			Ethnic Group (Percent)				Economically Disadvantaged
	2002-03	1998-99	5 Year Percent Change	African American	Hispanic	Anglo	Other	
Prairie Lea	245	205	19.5%	9.4%	35.5%	55.1%	0.0%	78.4%
McDade	221	177	24.9%	0.9%	37.1%	61.5%	0.5%	51.1%
Penelope	180	137	31.4%	1.7%	21.7%	75.6%	1.1%	68.3%
MISD	**159**	**159**	**0.0%**	**3.1%**	**45.9%**	**50.9%**	**0.0%**	**88.1%**
Cranfills Gap	123	136	(9.6%)	0.0%	8.9%	91.1%	0.0%	61.8%
Megargel	57	76	(25.0%)	1.8%	21.1%	77.2%	0.0%	87.7%
Region 12	**139,468**	**132,851**	**5.0%**	**23.2%**	**22.0%**	**52.6%**	**2.2%**	**49.9%**
State	**4,239,911**	**3,945,367**	**7.5%**	**14.3%**	**42.7%**	**39.8%**	**3.2%**	**51.9%**

Exhibit 2-2 shows budgeted instructional expenditures for MISD and its peer districts in 2002-03. MISD allocates the highest percentage of financial resources to Bilingual/English as a Second Language (ESL) and the second highest percentage to Compensatory Education and Gifted and Talented (G/T) education. Compared to the peer districts, the district falls in the middle for allocations to regular education, Career and Technology Education (CATE) and special education. MISD occupies the second lowest position in instructional expenditures per student.

Exhibit 2-2
Budgeted Instructional Expenditures
MISD and Peer Districts
2002-03

District	Total Instructional Operating Expenditures Per Student*	Percent Regular Instruction**	Percent G/T**	Percent Special Education**	Percent CATE**	Percent Bilingual/ ESL**	Percent Compensatory Education**
McDade	$4,616	98.3%	0.0%	0.9%	0.0%	0.1%	0.7%
Penelope	$4,782	72.1%	0.0%	11.3%	8.7%	0.8%	7.1%
Prairie Lea	$3,508	56.5%	0.5%	19.8%	5.4%	0.4%	17.4%
MISD	**$4,123**	**73.5%**	**0.3%**	**5.0%**	**8.0%**	**1.0%**	**11.0%**
Cranfills Gap	$4,649	95.2%	0.3%	1.3.0%	1.5%	0.0%	1.7%
Megargel	$7,985	74.8%	0.2%	4.6%	17.1%	0.0%	3.4%

Exhibit 2-3 shows that MISD ranks second among peer districts in the percentage of students enrolled in Bilingual/ESL programs and special education. The district ranks fourth in the percent of students enrolled in

G/T and CATE programs. MISD's percentage of G/T students is lower than the Region 12 and state averages; its percentage of special education and Bilingual/ESL students is higher than the regional and state averages. MISD's percentage of CATE students is similar to the regional and state averages.

Exhibit 2-3
Grades Served and Student Enrollment Percent by Program
MISD, Peer Districts, Region 12 and State
2002-03

District	Grades Served*	Percent Enrollment Gifted and Talented	Percent Enrollment Special Education	Percent Enrollment Career and Technology	Percent Enrollment Bilingual/ ESL
McDade	PreK - 8	10.0%	9.5%	0.0%	18.6%
Prairie Lea	PreK - 12	5.3%	12.6%	4.5%	2.0%
Cranfills Gap	PreK - 12	3.3%	19.5%	42.3%	0.0%
MISD	**PreK - 12**	**2.5%**	**18.0%**	**19.3%**	**9.9%**
Penelope	PreK - 12	2.2%	12.8%	25.0%	6.7%
Megargel	PreK - 12	0.0%	7.0%	36.8%	0.0%
Region 12	**PreK - 12**	**6.9%**	**15.0%**	**19.8%**	**1.1%**
State	**PreK - 12**	**7.8%**	**11.6%**	**19.8%**	**7.6%**

Source: TEA, PEIMS, 2002-03.
*Note: Does not include Early Childhood Education Programs.

Exhibit 2-4 shows the 2002-03 percentage of professional staff in various categories for MISD, its peer districts, Region 12 and the state. MISD has a higher percentage of teachers than Region 12 and state averages and falls in the middle when compared to its peers. The district also employs the second highest percentage of school administrators and the third highest percentage of central administrators when compared to its peers. MISD's percentage of central administrators is more than three times the regional and state averages.

Exhibit 2-4
Professional Staff Distribution by Category

MISD, Peer Districts, Region 12 and State
2002-03

District	Teachers	Professional Support	Campus School Administration	Central Administration	Educational Aides	Auxiliary Staff
Megargel	65.7%	4.6%	6.0%	0.0%	5.8%	17.9%
Cranfills Gap	56.8%	7.2%	0.0%	3.6%	0.0%	32.4%
MISD	**56.0%**	**0.0%**	**3.1%**	**3.5%**	**0.0%***	**37.4%***
Penelope	55.9%	0.0%	0.3%	3.9%	21.0%	20.9%
Prairie Lea	53.5%	2.6%	2.6%	2.6%	7.7%	31.1%
McDade	52.9%	0.0%	2.4%	2.4%	18.3%	24.0%
Region 12	**49.0%**	**6.6%**	**3.1%**	**1.1%**	**12.9%**	**27.4%**
State	**50.5%**	**7.5%**	**2.7%**	**1.0%**	**10.3%**	**28.0%**

Source: TEA, PEIMS, 2002-03.
*Note: The district misreported the educational aides in the auxiliary staff category in official reports to TEA.

Exhibit 2-5 compares the teaching experience of MISD's teachers with its peer districts, Region 12 and the state average. MISD's 2002-03 teaching staff averaged 9.8 years of teaching experience, 1.3 fewer years on average than the state's 11.1 average.

Exhibit 2-5
Teacher Experience
MISD, Peer Districts, Region 12 and State
2002-03

Experience	Megargel	Cranfills Gap	MISD	Penelope	Prairie Lea	McDade	Region 12	State
Percent of Teachers	65.7%	56.8%	**56.0%**	55.9%	53.5%	52.9%	**49.0%**	**50.5%**
Beginning Teachers	0.0%	0.0%	**6.2%**	10.7%	27.7%	9.1%	**8.3%**	**7.8%**

1-5 Years	45.5%	58.7%	**37.2%**	39.0%	19.3%	40.9%	**27.1%**	**28.2%**
6-10 Years	0.0%	25.4%	**18.6%**	10.7%	14.5%	18.2%	**19.1%**	**18.3%**
11-20 Years	27.3%	6.4%	**24.8%**	5.4%	19.3%	27.3%	**25.3%**	**24.4%**
More than 20 Years	27.3%	9.5%	**13.1%**	34.2%	19.3%	4.5%	**20.2%**	**21.3%**
Average Years of Experience	11.9	7.5	**9.8**	12.3	9.6	7.7	**10.8%**	**11.1**

Source: TEA, PEIMS, 2002-03.

Exhibit 2-6 compares the education of MISD's teachers with its peer districts, Region 12 and the state. MISD has the second largest percentage of teachers with bachelor degrees and the second lowest percentage of teachers with master degrees among its peer districts. The district also has a higher percentage of teachers with bachelor degrees when compared to both the regional and state averages and no teachers without degrees. Both the region and state have 1.0 percent and 1.3 percent, respectively, in this category.

Exhibit 2-6
Teacher Degrees
MISD, Peer Districts, Region 12 and State
2002-03

Education Level	Megargel	MISD	Penelope	Cranfills Gap	McDade	Prairie Lea	Region 12	State
No Degree	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%	**1.0%**	**1.3%**
Bachelor	100.0%	**93.1%**	92.6%	87.3%	86.4%	61.4%	**82.7%**	**76.0%**
Master	0.0%	**6.9%**	7.4%	12.7%	13.6%	38.6%	**16.0%**	**22.2%**
Doctorate	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%	**0.2%**	**0.5%**

Source: TEA, PEIMS, 2002-03.

Texas Education Code (TEC) Chapter 29 requires that every Texas student who is identified as limited English proficient (LEP) be provided a full opportunity to participate in a bilingual or ESL program. TEC defines LEP students as those whose primary language is something other than English and whose English language proficiency limits their participation in an English-language academic environment.

TEC requires all school districts with 20 or more LEP students in the same grade level to offer bilingual/ESL or an alternative language program. Schools must provide bilingual education in pre-kindergarten and the elementary grades. Districts must provide bilingual education, ESL instruction or other transitional language instruction approved by TEA in the post-elementary grades through grade 8. For students in grades 9 through 12, TEC only requires schools to provide instruction in ESL.

The education of LEP students is an important task for Texas public schools. More than 542,000 of Texas students-13.1 percent-were enrolled in bilingual or ESL programs in 2001-02. The State Board of Education's *Long-Range Plan for Public Education 2001-06* states "enrollment in the state's bilingual education program is projected to increase by 22 percent over the next five years." TEA requires school districts to identify LEP students and provide bilingual or ESL programs as an integral part of their regular educational programs. Districts must hire certified teaching personnel to ensure that these students have full educational opportunities.

The federal No Child Left Behind (NCLB) Act of 2001 requires that states report educational progress annually by poverty, race, disability and limited English proficiency to ensure that no group of students is left behind. Title III, Part A of NCLB addresses English Language Acquisition, Language Enhancement and Academic Achievement. This section explains that the NCLB Act seeks to ensure that children who are LEP-including immigrant children and youth-attain English proficiency, develop high levels of academic attainment in English and meet the same student academic achievement standards that all other children are expected to meet. This section of the NCLB also says that districts should assist these children to achieve at high levels in the core academic subjects and develop high-quality language instruction educational programs.

MISD has the second highest percentage of bilingual/ESL students compared with peer districts in 2002-03. MISD dedicated more of its budget to bilingual/ESL education than its peer districts. **Exhibit 2-7** shows that MISD spends the third highest per student for bilingual/ESL education among its peers.

Exhibit 2-7
Bilingual/ESL Student Enrollment, Budget and Expenditure
MISD, Peer Districts, Region 12 and State
2002-03

District	Students Enrolled in Bilingual/ESL Programs	Percentage of Total Enrollment	Total Budgeted Expenditures	Percent of Budgeted Expenditures	Expenditure per Bilingual/ ESL

					Student
McDade	41	18.6%	$1,118	0.1%	$27
MISD	**16**	**10.1%**	**$6,755**	**1.0%**	**$422**
Penelope	12	6.7%	$6,762	0.8%	$564
Prairie Lea	*	2.0%	$3,797	0.4%	$759
Megargel	*	0.0%	$0	0.0%	$0
Cranfills Gap	*	0.0%	$0	0.0%	$0
Region 12	**6,463**	**4.7%**	**N/A**	**N/A**	**N/A**
State	**572,319**	**13.5%**	**$865,615,663**	**N/A**	**N/A**

Source: TEA, PEIMS, 2002-03.
Note: N/A denotes that this information is unavailable.
* Five or fewer not reported due to privacy reasons.

MISD's ESL program serves students in pre-kindergarten through grade 12. To identify the students who need bilingual/ESL education, the district tests students whose home language is not English with the Home Language Survey or the Language Assessment Scales. Because MISD has fewer than 20 LEP students in each grade level, the TEC does not require it to offer a bilingual program.

The goal of MISD's ESL program is to be an integral part of the school curriculum that enables LEP students to master both English language skills and the core subjects while participating equitably in all aspects of the educational experience. MISD immerses all its ESL students from pre-kindergarten to grade 6 in second language classes. The district offers additional instruction to all LEP students in the offered pullout program. MISD has one ESL teacher who is certified but does not speak Spanish. The teacher teaches one ESL class a day and works with students of similar abilities, across grade levels, in 45-minute sessions. Students may have one or more sessions a week with the ESL teacher.

The Language Proficiency Assessment Committee (LPAC) determines students' placement, monitors progress and oversees program exit. MISD has clearly defined identification, screening, review, monitoring and exit procedures for its ESL program. The LPAC conducts an end-of-year review to determine student placement for the next year and is also

responsible for monitoring students who exit the ESL program for two years.

MISD offers a summer school program to ESL students in kindergarten and grade 1. The district did not operate this program in 2001-02 because it did not have the minimum requirement of 10 students entering those grades in 2002-03. MISD did offer a summer program to ESL students through the migrant program, since several of the ESL students were also migrant students.

TEA performed a District Effectiveness and Compliance (DEC) review in June 2002 and found the district's ESL program complied with all indicators.

Chapter 2

A. STUDENT PERFORMANCE AND INSTRUCTIONAL RESOURCES (PART 1)

TAAS performance was the primary factor in determining a district's accountability ratings prior to spring 2002-03. Texas districts administered different TAAS sections at different grade levels. Students took reading and mathematics tests in grades 3 through 8 and 10. Students in grades 4, 8 and 10 also took a writing test. Students in grade 8 took Social Studies and Science tests. Districts gave students an exit-level examination in grade 10.

In 2002-03, the more rigorous Texas Assessment of Knowledge and Skills (TAKS) replaced the TAAS. Students in grades 3 to 11 will take the TAKS. Like the TAAS, students take different portions of the TAKS in each grade level. Districts use TAKS to assess math skills every year from grade 3 to 11. Districts will assess reading skills in grades 3 to 9 and evaluate English language arts skills in grades 10 and 11. TAKS tests in grades 4 and 7 will gauge writing skills; social studies knowledge in grades 8, 10 and 11; and science knowledge in grades 5, 10 and 11. Students in grade 11 take an exit-level examination. The State Developed Alternative Assessment (SDAA), introduced in 2001, assesses special education students in grades 3 to 8 who receive instruction in the Texas Essential Knowledge and Skills (TEKS) but for whom TAKS is not an appropriate measure of academic performance. The test assesses students in reading, writing and math at the appropriate instructional levels as determined by their admission, review and dismissal (ARD) committees.

FINDING

MISD is not reviewing academic programs for effectiveness based upon instructional strategies, student assessment scores, budgeted expenditures and stakeholder input. MISD received an *Academically Unacceptable* rating from TEA in 2001-02 because its TAAS scores that year were more than 10 percentage points below both the state and regional averages. MISD was the lowest performing district in 1997-98 among its peers and the third lowest performing district in 2001-02. The district also spent a smaller percentage of its budget (42.1 percent) on instructional expenditures than the state average (50.8 percent) and all of its peers. From 1998-99 through 2002-03, MISD's instructional expenditures also decreased 2 percent. The district does not have any review cycle or formal review of instructional programs. District administrators said they consider DEC visits from TEA as program reviews.

TEA assigns annual accountability ratings to each district and school based primarily upon the standardized test scores and dropout rates. The accountability system includes five categories for districts: (*Exemplary, Recognized, Academically Acceptable, Academically Unacceptable* and *Unacceptable: Data Quality.*) For schools, the categories are (*Exemplary, Recognized, Academically Acceptable* and *Low Performing.*) To receive an *Exemplary* rating prior to 2002-03, at least 90 percent of all students, as well as 90 percent of each student group (African American, Hispanic, Anglo and Economically Disadvantaged) must have passed the TAAS reading, writing and mathematics tests. To achieve a *Recognized* rating prior to 2002-03, 80 percent of all students and each student group must have passed the TAAS reading, writing and mathematics tests. To be rated *Academically Acceptable* prior to 2002-03, 50 percent of each student group must have passed TAAS. Scores for students with disabilities and from the TAAS Spanish version of reading and mathematics in grades three through six were included in the accountability calculations. According to TEA, failure to meet TAAS standards is the primary reason that schools were rated *Low-Performing* prior to 2002-03.

Exhibit 2-8 provides the accountability ratings for MISD and peer districts from 1997-98 through 2001-02.

Exhibit 2-8
Accountability Ratings
MISD and Peer Districts
1997-98 through 2001-02

District	1997-98	1998-99	1999-2000	2000-01	2001-02
Penelope	*Recognized*	*Recognized*	*Recognized*	*Academically Acceptable*	*Academically Acceptable*
Cranfills Gap	*Recognized*	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*	*Recognized*
Megargel	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*
Prairie Lea	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*
MISD	***Academically Acceptable***	***Academically Acceptable***	***Academically Acceptable***	***Academically Acceptable***	***Academically Unacceptable***
McDade	*Academically Unacceptable*	*Recognized*	*Academically Acceptable*	*Academically Acceptable*	*Academically Acceptable*

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

Exhibit 2-9 shows that MISD's spending on instruction and instruction-related services are the lowest among its peers and lower than the state average. The district dedicates a significantly larger portion of its budget to food service and central administration than the state average. MISD's instructional leadership and student support services expenditure percentages are lower than the state average. Compared to its peers, MISD has the second lowest percentage of student support services and the third lowest percentage of co-curricular/extracurricular activities' expenditures.

Exhibit 2-9
Percent of Budgeted Expenditures by Instructional Function
MISD, Peer Districts and State
2002-03

Expenditures by Function	Megargel	McDade	Penelope	Cranfills Gap	Prairie Lea	MISD	State
Instruction (11,95)	59.4%	55.8%	59.6%	52.8%	50.9%	**45.7%**	**50.8%**
Instruction-Related Services (12,13)	3.0%	0.4%	2.2%	3.4%	2.9%	**0.2%**	**2.7%**
Instructional Leadership (21)	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**	**1.2%**
School Leadership (23)	5.7%	3.0%	4.5%	4.5%	6.4%	**5.6%**	**5.3%**
Support Services-Student (31,32,33)	0.9%	0.0%	0.3%	1.1%	3.6%	**0.1%**	**4.0%**
Student Transportation (34)	1.9%	3.1%	2.3%	3.3%	1.8%	**1.8%**	**2.6%**
Food Services (35)	3.0%	6.7%	5.6%	0.0%	6.1%	**6.9%**	**0.7%**
Cocurricular/ Extracurricular Activities (36)	1.1%	0.1%	4.3%	4.0%	3.3%	**2.6%**	**2.3%**
Central	11.5%	11.5%	9.5%	13.3%	11.3%	**10.5%**	**3.6%**

Administration (41,92)							
Plant Maintenance and Operations (51)	10.9%	10.0%	7.9%	10.9%	12.2%	**9.0%**	**9.9%**
Security and Monitoring Services (52)	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**	**0.6%**
Data Processing Services (53)	2.5%	0.4%	0.0%	0.0%	0.0%	**0.0%**	**1.2%**
Other*	0.1%	9.1%	3.9%	6.7%	0.6%	**17.6%**	**0.0%**
Per Pupil Expenditures	$13,499	$8,595	$8,501	$9,213	$6,969	**$9,795**	**$7,088**

Source: TEA, PEIMS, 2002-03.
Note: Percents may not equal 100 percent due to rounding.
*Based on budget OBJECT codes of 6100-6400 only and includes any operating expenditures not listed above and all non-operating expenditures such as debt service, capital outlay and community and parental involvement services.

Exhibit 2-10 shows the results of the review team's March 2003 parent survey. Of the 25 parents that responded, between 44 percent and 65 percent disagreed and strongly disagreed that the district has effective educational programs in reading, writing, mathematics, science, social studies, computer education, English language arts and fine arts. Most of the parents (56 percent) did not think the district has high quality teachers or provides a high quality education overall.

Exhibit 2-10
TSPR Parent Survey Results
March 2003
Effectiveness of MISD Educational Programs and Staff

Parents Responses*					
	Strongly Agree	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**

The district has effective educational programs for the following:					
Reading	20.8%	33.3%	0.0%	16.7%	29.2%
Writing	12.0%	40.0%	0.0%	12.0%	36.0%
Mathematics	8.0%	32.0%	8.0%	24.0%	28.0%
Science	20.0%	36.0%	0.0%	16.0%	28.0%
English or Language Arts	8.0%	44.0%	0.0%	16.0%	32.0%
Computer Instruction	13.0%	34.8%	4.3%	17.4%	30.4%
Social Studies	16.0%	40.0%	0.0%	16.0%	28.0%
Fine Arts	13.0%	4.3%	17.4%	21.7%	43.5%
The district provides a high quality education	0.0%	32.0%	12.0%	12.0%	44.0%
The district has a high quality of teachers	0.0%	36.0%	8.0%	20.0%	36.0%

Source: TSPR Surveys, 2003.
*Twenty-five parents responded to the survey.

Many districts review all academic programs for effectiveness to identify successful program elements as well as areas needing improvement. These districts often include student performance data, input from staff and parents, program expenditures and instructional strategies in review criteria. Often, districts review programs according to a schedule to ensure that all programs are reviewed on a continual basis. Many of these districts also use local survey forms to capture necessary information.

Recommendation 10:

Develop and implement a program review to improve student performance.

The plan should, at a minimum, include an analysis of student performance, instructional strategies, budgeted instructional expenditures and stakeholder input as criteria for effectiveness.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent appoints the principal and a team of	September

	elementary, middle and high school teachers to develop a program review plan.	2003
2.	The team contacts Region 12 for help in identifying appropriate program review criteria.	September 2003
3.	The team drafts a program review plan that uses student performance, budgeted expenditures, instructional strategies and stakeholder input to evaluate district programs.	October - December 2003
4.	The team presents the drafted program review plan to the superintendent for review and approval.	December 2003
5.	The superintendent approves the plan and instructs the principal to implement it and use team members to ensure that all teachers are appropriately trained in its use.	January 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although the principal, superintendent and teachers review student TAAS results, neither MISD administrators nor teachers document their analysis, set improvement goals or define needed improvements in writing. Teachers do not prepare an improvement plan or document the strategies they plan to use to address any areas of need. MISD used to administer students two benchmark tests: one at the beginning and one at the end of each year. Teachers use these benchmark tests to identify areas where their students need the most work. To give the teachers more information to work with, the district began administering the benchmark tests every six weeks in 2002-03.

Exhibit 2-11 shows the preliminary TAKS results from the spring 2003 administration. Students in grade 10 had the highest passing scores with 100 percent of the students that took the test passing the English language arts and mathematics portions of the test and 75 percent passing both the science and social studies sections for an overall passing rate of 78 percent. Students in grades 5, 7 and 11 received the lowest overall scores with 33 percent, 36 percent and 29 percent, respectively, passing all tests taken.

Exhibit 2-11
MISD Preliminary Results
Percentage of Students Passing TAKS (English version)
Spring 2003

Grade Level	Reading	English Language Arts	Mathematics	Writing	Science	Social Studies	All Tests Taken
Grade 3	40%		57%				N/A
Grade 4	70%		70%	67%			60%
Grade 5	56%		56%		63%		33%
Grade 6	83%		64%				58%
Grade 7	80%		33%	40%			36%
Grade 8	*		*			*	*
Grade 9	*		*				*
Grade 10		100%	100%		75%	75%	78%
Grade 11		67%	43%		40%	43%	29%

Source: MISD, superintendent's office.
*Note: * denotes five or fewer not reported for privacy reasons, and shaded areas denote tests not administered at those grade levels.*
N/A-denotes not available.

Exhibit 2-12 shows that MISD scored below regional and state averages in all tests taken in 2001-02 in grades 4, 5, 6 and 8. MISD's students scored below regional and state averages in reading and math in grades 4, 5 and 6, in writing in grade 4 and in science and social studies in grade 8. MISD's grade 4 writing scores were more than 20 percentage points lower than regional and state averages. Grade 8 students scored more than 30 percentage points lower than regional and state averages in science and more than 60 percentage points below regional and state averages in social studies in 2001-02. MISD did make performance gains on TAAS in grades 5 and 6 between 1997-98 and 2001-02.

Exhibit 2-12
Percentage of Students Passing TAAS (English version)
MISD, Region 12 and the State
1997-98 and 2001-02

Grade Level*	Reading		Mathematics		Writing		Science		Social Studies		All Tests Taken	
	1997-98	2001-02	1997-98	2001-02	1997-98	2001-02	1997-98	2001-02	1997-98	2001-02	1997-98	2001-02
Grade 3												
MISD												
Region 12	86.3%	87.3%	81.5%	85.1%							76.5%	80.2%
State	86.2%	88.0%	81.0%	87.4%							76.6%	82.3%
Grade 4												
MISD		77.8%		88.9%		66.7%						66.7%
Region 12	89.0%	91.9%	86.3%	93.7%	89.0%	88.5%					77.8%	82.9%
State	89.7%	92.5%	86.3%	94.1%	88.7%	89.8%					78.6%	84.7%
Grade 5												
MISD	**70.0%**	**83.3%**	**70.0%**	**91.7%**							**60.0%**	**83.3%**
Region 12	88.3%	93.0%	89.3%	96.1%							83.3%	91.4%
State	88.4%	92.7%	89.6%	96.2%							83.9%	91.3%
Grade 6												
MISD	**66.7%**	**83.3%**	**83.3%**	**83.3%**							**66.7%**	**83.3%**
Region 12	87.1%	87.4%	86.9%	92.8%							81.4%	84.6%
State	85.6%	88.2%	86.1%	93.8%							79.9%	86.0%
Grade 7												
MISD	**90.0%**	*****	**60.0%**	*****							**60.0%**	*****
Region 12	87.4%	93.1%	84.9%	94.3%							80.3%	90.0%
State	85.5%	91.3%	83.7%	92.2%							78.5%	87.6%

Grade 8												
MISD	**63.6%**	*	**60.0%**	*	**36.4%**	*	**54.5%**	**60.0%**	**45.5%**	**20.0%**	**27.3%**	**33.3%**
Region 12	86.5%	95.5%	85.9%	93.7%	83.0%	85.6%	85.7%	93.1%	71.2%	83.2%	62.1%	71.8%
State	85.3%	94.3%	83.8%	92.9%	84.0%	85.3%	84.3%	93.0%	69.9%	83.7%	61.8%	73.4%
Grade 10												
MISD	*	*	*	*	*	*					*	*
Region 12	88.9%	94.3%	80.1%	91.9%	90.1%	91.4%					74.4%	85.5%
State	88.3%	94.5%	78.4%	92.2%	89.9%	91.3%					73.1%	85.7%

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

*Note: *denotes five or fewer not reported for privacy reasons, and shaded areas denote tests not administered at these grade levels.*

Chapter 2

A. STUDENT PERFORMANCE AND INSTRUCTIONAL RESOURCES (PART 2)

Exhibit 2-13 shows MISD's student performance changes from 1997-98 through 2001-02. Although the district's overall performance on the statewide assessment is below regional and state averages, the district did improve its TAAS scores during this time period by 22.8 percentage points.

Exhibit 2-13
Percentage of Students Passing TAAS, All Tests Taken (Grades 3-8 and 10)
MISD, Peer Districts, Region 12 and the State
1997-98 through 2001-02

District	1997-98*	1998-99**	1999-2000**	2000-01**	2001-02	Percentage Point Change 1997-98 to 2001-02
Penelope	80.4%	72.5%	70.0%	71.2%	68.8%	(11.6%)
Cranfills Gap	76.0%	57.1%	58.0%	69.6%	77.8%	1.8%
Prairie Lea	70.0%	68.6%	71.4%	75.3%	75.8%	5.8%
Megargel	63.3%	48.1%	65.2%	45.2%	77.8%	14.5%
McDade	59.7%	78.5%	65.4%	62.6%	61.3%	1.6%
MISD	**52.2%**	**61.2%**	**56.9%**	**61.5%**	**75.0%**	**22.8%**
Region 12	**78.2%**	**79.5%**	**81.2%**	**86.5%**	**88.2%**	**10.0%**
State	**77.7%**	**78.1%**	**79.9%**	**82.1%**	**85.3%**	**7.6%**

Source: TEA, AEIS, 1997-98 through 2001-02.
*Recalculated from original posting to include special education and grades 3 and 4 Spanish TAAS.
** Recalculated from original posting to include special education and grades 3 through 6 Spanish TAAS.

Successful school districts analyze test result data and formally document disaggregated test scores. This type of analysis compares tests scores of different groups of the student population to the general student body. This helps educators identify groups of children whose scores are significantly different, or disaggregated, from the rest of the students. These districts can use this information to formulate improvement plans for individuals or groups of students. Many districts tie accountability for improvement to the documented analysis.

Region 12 provides software and training for a data disaggregation program-AEIS-IT-that analyzes student performance on the statewide assessment instrument. Region 12 provides professional development training in data disaggregation and its application. Region 12 also trains teachers to work with students who are economically disadvantaged or students having difficulty in school.

Recommendation 11:

Document and use disaggregated assessment data to identify student and staff needs and develop student improvement plans, instructional strategies and staff training.

MISD's superintendent, principal and teachers should conduct a comprehensive review of their TAAS/TAKS analysis procedures and teaching strategies. They should contact Region 12 for assistance in examining why TAKS performance in reading in grade 3 was so low in 2002-03 and why students lag behind regional and state performance in writing, social studies and science. MISD should ask Region 12 to provide staff development training on TAKS data aggregation, identification of effective instructional strategies and development of improvement plans. MISD should have its teachers attend staff development training that discusses successful strategies used with economically disadvantaged or at-risk students.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and principal work with Region 12 to identify and implement staff development training to address TAKS data analysis, student performance and instructional strategies.	September 2003
2.	The principal contacts similar districts that increased student performance and reviews their data analysis techniques and instructional strategies and reports this information to the superintendent.	September - October 2003
3.	The board authorizes the superintendent to purchase the	November 2003

	AEIS-IT software.	
4.	The superintendent purchases the software from Region 12 and schedules software training for staff.	November 2003
5.	The superintendent ensures staff attend AEIS-IT software training.	November 2003 - January 2004
6.	The principal ensures teachers analyze TAKS results and develop improvement plans based on the data.	February 2004 and Ongoing
7.	The teachers implement the strategies associated with their improvement plans and report progress to the principal.	February 2004 and Ongoing
8.	The principal monitors implementation of data-driven improvement plans and reports progress to the superintendent.	January - May 2004 and Ongoing

FISCAL IMPACT

This fiscal impact is based upon the one-time purchase of AEIS-IT software for $950 as well as the associated annual training provided by Region 12 at a rate of $550 for a full day of consulting and $350 for a half-day of training. MISD should obtain two-half day trainings and a single, full day training session in 2003-04 from Region 12. This fiscal impact assumes MISD staff will also provide one full day training session each following year. In 2003-04, MISD will incur costs of $2,200 ($950 software cost + $550 full day training + $700 for two half-day training sessions = $2,200). With $550 in training costs each following year, the five-year cost of this recommendation will be $3,450.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Purchase AEIS-IT software.	($950)	$0	$0	$0	$0
Training cost.	($1,250)	($550)	($550)	($550)	($550)
Total savings/(cost)	**($2,200)**	**($550)**	**($550)**	**($550)**	**($550)**

FINDING

MISD does not have curriculum guides for all courses and subject areas at all grade levels. MISD does have curriculum guides for the district's CATE courses. Curriculum guides are work plans for teachers to use in the classroom that provide direction. The guides identify student objectives, assessment methods, prerequisite skills, instructional materials, resources and classroom strategies.

MISD teachers follow the TEKS and use teacher's editions of textbooks as their guides when developing lesson plans. Principals review teachers' lesson plans on a weekly basis and cooperate with the superintendent for ongoing communication with teachers discussing curriculum-related issues. MISD's superintendent, principal and teachers also consider their curriculum vertically aligned or incrementally built upon previously learned information from grade to grade since they follow the TEKS.

Although MISD is a member of the Region 12 Curriculum Cooperative that provides curriculum-related workshops-Enhanced Core Curriculum Plus- the district does not have a curriculum development, review or update schedule. The cooperative provides professional development services such as curriculum alignment workshops that result in the development of curriculum guides. The cooperative conducts the workshops in the fall and spring to teach curriculum alignment teams how to assist teachers in creating curriculum guides for each subject, grade level and course. MISD staff did not attend any of the curriculum alignment and curriculum guide development workshops in 2002-03.

As part of its Enhanced Core Curriculum Plus, Region 12 also offers training in TEKStar. TEKStar is a curriculum planning and communication tool that can become a district's curriculum. All student expectations in the TEKS are included in the TEKStar database. The program automatically correlates these expectations to the TAKS. Districts can install the system as a stand-alone network or allow teachers to access it online. As part of the system, teachers receive a planning calendar and a historical chart of which TEKS and TAKS objectives they have taught. School and district administrators can monitor the instruction at specific schools.

Many districts use curriculum plans to address all aspects of curriculum development, review and update. These plans include scheduled reviews of current course offerings and corresponding curriculum guides. The plans also call for scheduled updates and revisions. Many of these districts base their plans on adopted curriculum policy and include textbook adoption dates, schedules, curriculum linkages between grades, curriculum delivery and review of curriculum effectiveness.

Recommendation 12:

Develop curriculum guides for all courses and grade levels and implement a curriculum development, review, revision and update schedule.

MISD should send a team of its teachers to Region 12's Enhanced Core Curriculum Plus Program to participate in a curriculum alignment and

curriculum guide development workshop. The team will then work with other teachers districtwide to develop curriculum guides for all grade levels and subject areas. MISD's teacher participation in the curriculum alignment workshops is free because MISD is a member in the Enhanced Core Curriculum Plus program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The principal appoints a team of teachers to schedule and attend curriculum workshops through Region 12's Enhanced Core Curriculum Plus Program.	September - December 2003
2.	The team of teachers contacts districts with existing curriculum guides and curriculum review and update schedules and reviews the information.	October - December 2003
3.	The team of teachers creates a schedule including review, revision and update of curriculum guides and presents it to the principal and superintendent for approval.	January 2004
4.	The principal and superintendent approve the schedule and instruct the team to present curriculum training to teachers districtwide.	January 2004
5.	The team of teachers trains other teachers districtwide on curriculum guide review and development.	February - April 2004
6.	The principal appoints three teams of three teachers each to develop the initial 51 curriculum guides.	May 2004
7.	The curriculum-guide teams develop the curriculum guides.	June - July 2004
8.	The principal monitors teachers' use of curriculum guides and ensures implementation of the curriculum schedule including annual review and updates.	August 2004 and Ongoing

FISCAL IMPACT

This fiscal impact is based on the assumption that MISD will train three teams of three teachers each to develop guides. The review team suggests curriculum guides for 51 courses in grades 1-12. The district's CATE, physical education, drama, speech and Foundations of Personal Fitness courses do not need curriculum guides.

On average MISD's teachers earn $36,470 for an average daily rate of $195 ($36,470 / 187 days). The cost to develop curriculum guides includes initial training and three weeks of curriculum development. The three curriculum-guide teams will each develop 17 curriculum guides. Each

team will receive $585 per day ($195 x 3 team members = $585 per day) for a total of $26,325 [($585 daily team rate x 15 days or three weeks = $8,775) x three teams = $26,325].

This fiscal impact also includes $1,500 for training in addition to Region 12's curriculum alignment workshop for a total curriculum guide development cost of $27,825 ($1,500 + $26,325). Each year thereafter, this fiscal impact assumes the district will use one team of three teachers to review and update curriculum guides according to the developed schedule for two days each summer at an annual review cost of $1,170 ($195 x 3 teachers x 2 days) and a total five-year cost of $32,505 [$27,825 initial cost + (4 x $1,170 = $4,680) = $32,505).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
One-time training cost.	($1,500)	$0	$0	$0	$0
Develop curriculum guides for all courses and grade levels and implement a curriculum development, review, revision and update schedule.	($26,325)	($1,170)	($1,170)	($1,170)	($1,170)
Total savings/(cost)	**($27,825)**	**($1,170)**	**($1,170)**	**($1,170)**	**($1,170)**

FINDING

MISD's student performance indicators on the District Improvement Plan (DIP) and Campus Improvement Plan (CIP) are too general and do not address incremental rates of improvement. For example, the 2002-03 DIP has a goal of increasing the percentage of all students and student populations meeting the state standard for TAKS to 90 percent by 2003-04. While an admirable goal, achieving this standard in one year may not be realistic since the preliminary results of the grade 3 TAKS reading show that only 57 percent of MISD students passed.

Additionally, although the 2002-03 CIP includes some strategies associated with TAKS improvement and noted deficiencies in writing and social studies, the CIP does not address other areas of need, or link strategies to the budget. The district also did not include detail outlining the number of full-time employees funded through Compensatory Education funds.

School districts with effective DIPs and CIPs tailor performance objectives to specific student populations, subject areas or grade levels and include strategies that have proven effective for each situation. For

example, Wall ISD, a district with 941 students, has a DIP that contains detailed goals targeting specific populations and content areas. The district associates each goal with measurable performance objectives, sequential activities, expected outcomes and criteria to measure progress toward meeting the goals. The district's CIPs all correspond to the DIP and include details and budgeted funds associated with meeting stated objectives and goals.

Recommendation 13:

Include detailed goals, and strategies and funding in the District Improvement Plan and corresponding Campus Improvement Plan.

MISD should include in its DIP a set of performance objectives targeted at grade levels, content areas and student population groups with low TAKS performance. The CIP should include a detailed set of strategies for each performance objective, sequential activities, expected outcomes and criteria to measure progress toward the objective. The CIP should identify any budgeted funds.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent, principal and site-based decision-making (SBDM) committee analyze TAKS performance of students in each subject and grade level and for each student population group and identify areas in need of improvement.	September 2003 and Annually Thereafter
2.	The superintendent, principal and SBDM committee develop TAKS performance objectives for grade levels, subject areas and student population groups with low performance, develop strategies for addressing these weaknesses and incorporate specific strategies and corresponding budgeted amounts into the DIP and corresponding CIPs.	September - October 2003 and Annually Thereafter
3.	The superintendent and principal discuss the performance objectives and associated strategies with teachers, parents and students.	November 2003 and Annually Thereafter
4.	The superintendent and principal monitor student performance and progress toward achieving identified goals and objectives and evaluate effectiveness of strategies listed in the DIP and CIPs.	December 2003 - May 2004 and Annually Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The district does not offer supporting Advanced Placement courses or effective college counseling to students. **Exhibit 2-14** shows that MISD's student participation rate for college entrance exams is 39 or more percentage points lower than the regional and state averages.

Exhibit 2-14
College Entrance Examination Participation
MISD, Peer Districts, Region 12 and State
Class of 2002

District	Percent of Students Taking Examinations
Penelope	62.5%
Cranfills Gap	**
Megargel	**
Prairie Lea	**
McDade*	N/A
MISD	**20.0%**
Region 12	**59.5%**
State	**62.9%**

Source: TEA, AEIS, 2001-02.
*McDade ISD does not have a high school.
** Fewer than five students took the SAT/ACT.

Penelope ISD, the only peer district for whom information was available in 2001-02, has significantly higher participation rates than MISD. Although MISD's 2002-03 DIP does include increasing college entrance examination participation as an objective and lists three supporting strategies, it does not include any counseling efforts to understand available tests, ACT and SAT tutorials or the alignment of district curriculum with the ACT and SAT. MISD also does not offer Advanced Placement (AP) or pre-AP courses to prepare students for college. Prior to 2002-03, the district did not offer the Recommended high school program. To comply with state law, MISD did begin offering the Recommended

high school program in 2002-03; eleven students participated in the first year.

The strategies listed in the DIP include paying for all students to take either the ACT or SAT one time before they graduate; ensuring all students participate in Career Day activities and demonstrate awareness of different careers; and providing all seniors with two college days to personally visit college campuses.

MISD's counselor and principal said they discuss the importance of education and the benefits of attending college with both parents and students. While in the district one day each week, the counselor divides his time between helping students with their high school schedules, college applications and counseling individual students based on teacher and parent referrals.

Only 33.4 percent of the 25 parents who responded to the TSPR parent survey agreed that MISD has an effective college counseling program, while 41.6 percent did not think that the college counseling program was effective. **Exhibit 2-15** details the results of this survey.

Exhibit 2-15
MISD College Counseling Program Effectiveness

Parents*					
Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
The district has effective special programs for college counseling	4.2%	29.2%	25.0%	8.3%	33.3%

Source: TSPR, parent surveys, 2003.
* Twenty-five parents responded to the TSPR surveys.

Both teachers and administrators said there is not a strong desire among MISD students regarding attending college. Administrators and teachers attribute this to low parental involvement in the school and the historical educational background of parents, many of whom do not have a high school diploma. Administrators and teachers also said they recognized the need to increase efforts to stress the importance of secondary education to students and parents.

Fewer students took college entrance examinations in 2001-02 than in the previous four years. **Exhibit 2-15** chronicles the decline in exam

participation. During this time period, the number of students in grade 12 has remained close to 10, fluctuating from 11 students in the class of 1999 to nine students in the classes of 2000 and 2001 and eight students in the class of 2002. MISD's administrators said that although the district encourages students to take the SAT or ACT and pays test fees the first time students take the test, many of the students historically were not interested in attending college or post-secondary vocational/trade programs. In 2002-03, the district participated in a pilot program offering PSAT/SAT study skills to interested students. The district has confirmed participation in the program again for 2003-04. The district also reports expenditures of less than $300 per year for testing fees during 1998-99 through 2001-02. Additionally, the district reported that only one student took Advanced Placement coursework in 2002-03 through the district's distance learning opportunities.

Because five or fewer students took the test in many of the years between 1997-98 and 2001-02, resulting scores and percentages were not reported in AEIS data due to privacy reasons. **Exhibit 2-16** shows the percentage of students in graduating classes taking the ACT or SAT exam and any reported scores or passing criterion. TEA has established scores on the ACT and SAT as the minimum criterion for student scores to be acknowledged in the district's accountability rating.

Exhibit 2-16
MISD Student Participation in College Admission Tests
1997-98 through 2001-02

Class	Percent of Graduating Class Tested	Percent of Students Meeting the Criterion	Average SAT Score	Average ACT Score
2002	20.0%	*	*	*
2001	40.0%	*	*	*
2000	50.0%	20.0%	*	*
1999	58.3%	28.6%	984	*
1998	50.0%	20.0%	*	*

Source: TEA, AEIS 1997-98 through 2001-02.
* Five or fewer students not reported due to privacy reasons.

Abbott ISD (AISD) is a small district with high student participation rates in college entrance exams. AISD's counselor works closely with students, parents and teachers to increase their awareness of the importance of post-

secondary education and the necessary preparations. The counselor highlights financial resources available to students as well as coursework that will provide enhanced opportunities for the academic growth of students planning to attend college. The counselor also assists with teacher and administrator training efforts and has an outline guiding overall college preparation efforts for students, teachers and parents.

Many other Texas districts encourage secondary students to take college entrance exams before graduation by initiating a PSAT/SAT program targeting younger students. These programs provide students in grades 8 through 12 an opportunity to take a mock version of the SAT that evaluates their abilities. This gives students the experience of taking tests, as well as a score to be used as a guide for improvement. Many of these districts also offer a financial incentive to students by waiving or discounting test fees for both the PSAT and SAT exams as well as providing teacher training in strategies designed to improve students' performance on college entrance exams. Some districts also offer college exam preparation workshops and tutorials to students and encourage students to participate in AP courses to better prepare for the level of information contained in college entrance examinations.

Region 12 also offers secondary language arts workshops for teachers that address strategies to help students with ACT/SAT vocabulary.

Recommendation 14:

Develop a college preparation plan that includes increased counseling, staff development and student participation in Advanced Placement courses and pre-college entrance examinations.

MISD should increase its college preparation efforts starting in the elementary and junior high school levels, particularly in grades 7 and 8 as part of a broader plan for preparing students for postsecondary education. These efforts should inform students and their parents about the benefits of attending college and the benefits of starting preparations early. The district should increase student and parent awareness of the importance of the ACT and SAT to their children's post-secondary education and of the instructional and financial resources available to them.

The district should also create a greater focus on ACT and SAT preparation by promoting participation in more rigorous academic courses available to students. MISD should also contact districts like Abbott ISD that have high ACT and SAT participation and performance for information about their student participation, test preparation strategies and resource allocation strategies. MISD should work with Region 12 to provide staff development to high school teachers in the use of materials

and strategies on ACT/SAT preparation that MISD's teachers can attend at no additional charge because of the district's membership in the Region 12 Enhanced Core Curriculum Plus Cooperative. The district should also offer college preparation tutorials.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent creates a team of several teachers, a parent representative and the counselor and instructs them to develop a college preparation program.	September 2003
2.	The counselor obtains information and materials from districts that have high student participation and performance on college entrance examinations to present to the college preparation team.	October 2003
3.	The college preparation team develops a plan to increase parent, teacher and student awareness of the importance of ACT and SAT participation and performance using obtained information on effective strategies from other districts and Region 12.	November - December 2003
4.	The superintendent ensures the counselor and the secondary school teachers implement the plan to increase parent, teacher and student awareness of the importance of the ACT and SAT and the resources available to them.	December 2003 and Ongoing
5.	The college preparation team reviews available test preparation course materials and staff development programs such as those provided by Region 12 and develops a tutorial plan to present to the superintendent for approval.	December 2003 - January 2004
6.	The superintendent and teachers include staff development on college entrance exam preparation efforts for students in their annual staff development and offers student tutorials on ACT/SAT preparation.	February 2004 and Ongoing
7.	The counselor monitors student participation in the tutorials, tests and performance on the ACT, PSAT and SAT and reports the results to the college preparation team and the superintendent.	March 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

B. GIFTED AND TALENTED EDUCATION

Texas state law requires all school districts to identify and provide services for gifted and talented (G/T) students. In 1990, the State Board of Education (SBOE) adopted its *Texas State Plan for the Education of Gifted/Talented Students,* a guide for meeting the law's requirements. In 1996, SBOE updated the plan to incorporate TEC Section 29.123 requirements, which form a basis for ensuring accountability for state-mandated services for G/T students.

MISD uses the state definition of a gifted and talented student as a "student who performs at or shows the potential for performing at a remarkably high level of accomplishment when compared with others of the same age, experience, or environment as well as exhibits superior intellectual ability and potential for outstanding academic achievement."

FINDING

MISD does not have adequate procedures for identifying G/T students. Compared with its peers, MISD has the third lowest percentage of students served through the G/T program. **Exhibit 2-17** shows that MISD also has a smaller portion of its student body in G/T classes than the state average. The TEA Program Analysis System (PAS) for 2002-03 assigned the highest risk level to MISD for its low percentage of G/T students. TEA considers districts with 3 percent or fewer G/T students to be at the highest risk level. PAS is a methodology that TEA uses for the identification and selection of districts for District Effectiveness and Compliance (DEC) reviews.

Exhibit 2-17
Gifted/Talented Students and Teachers
MISD, Peer Districts and State
2002-03

District	G/T Student Enrollment		G/T Teachers		Budget Instructional Expenditures for G/T	
	Number	Percent of Student Body	Number*	Percent of Teaching Staff	Amount Per Student	Percent**

McDade	22	10.0%	0.4	1.8%	$17	0.0%
Prairie Lea	13	5.3%	0.0	0.0%	$320	0.5%
MISD	**N/A**	**2.5%**	**0.0**	**0.0%**	**$465**	**0.3%**
Cranfills Gap	N/A	3.3%	0.0	0.0%	$431	0.3%
Penelope	N/A	2.2%	0.0	0.0%	$0	0.0%
Megargel	N/A	0.0%	0.0	0.0%	$0	0.2%
State Average	**332,551**	**7.8%**	**N/A**	**N/A**	**N/A**	**N/A**

Source: TEA, PEIMS, 2002-03.
* Expressed in Full-Time Equivalents (FTEs).
** G/T expenditures as percentage of total budgeted instructional program expenditures.
N/A: Data not available.

Exhibit 2-18 shows that enrollment in MISD's G/T programs decreased between 1998-99 and 2002-03. MISD administrators attributed the decrease to students graduating or leaving the district. Among its peer districts, MISD has experienced the second greatest decrease in G/T students over this period. In 2001-02, the increase in the number of participants in the G/T program resulted from a transfer of several G/T students, all associated with one family, from another district. MISD did not identify any new G/T students in 2001-02.

In 2002-03, MISD's G/T program included students in grades 4, 5, 7 and 8. No high school students are served in the G/T program; although, the district's 2002-03 DIP identifies the G/T program at the high school level as one strategy for offering a challenging high school curriculum. The G/T program at MISD does not represent the ethnic composition of the student population: only 16.7 percent of the students in the G/T program are Hispanic compared with 45.3 percent of the district's student population.

Exhibit 2-18
G/T Program Student Participation
MISD and Peer Districts
1998-2003

District	1998-	1999-	2000-	2001-	2002-	Percent

	99	**2000**	**01**	**02**	**03***	**Change 1999-2003***
McDade	9.0%	7.1%	7.3%	9.3%	10.0%	11.1%
Penelope	6.6%	6.0%	4.9%	2.9%	2.2%	(66.7%)
MISD	**5.7%**	**2.7%**	**2.1%**	**4.6%**	**2.5%**	**(56.1%)**
Cranfills Gap	4.4%	2.1%	3.3%	4.1%	3.3%	(25.0%)
Prairie Lea	3.4%	5.5%	4.2%	4.0%	5.3%	55.9%
Megargel	0.0%	5.1%	1.7%	0.0%	0.0%	0.0%

Source: TEA, AEIS, 1998-99 through 2001-02 and PEIMS, 2002-03.
* Percentage change is calculated by subtracting the 2002-03 value from the 1998-99 value and dividing the difference by the 1998-99 value.

The MISD G/T program spans kindergarten through grade 12. Parents, peers, school personnel and community members can nominate MISD students for the G/T program at any time during the year. The district asks teachers to begin the G/T identification process and sends letters to parents in the fall. MISD also publicizes the nomination process in the school's newsletter and in local newspapers such as the *Bosque County News* and the *Clifton Record*. Nomination forms are available both in English and Spanish. To determine student qualification for the G/T program, the district uses a parent inventory form, achievement test scores like those from the Iowa Test of Basic Skills and the statewide assessment instrument, G/T screening instruments such as Screening Assessment of Gifted Elementary Students, teacher checklists of gifted characteristics such as the Ranzuli-Hartman Scale and intelligence and aptitude tests such as the Cognitive Abilities Test (CogAT). The G/T selection committee may consider optional additional data such as the Test of Nonverbal Intelligence and student portfolios. The G/T committee manages the MISD G/T program. The committee consists of five teachers: a grade 1 teacher, two grade 4-5 teachers and two high school teachers. All G/T committee members have received G/T training. The committee meets at the beginning of the year and at least once during each six-week period. The committee screens nominees on an ongoing basis, typically within two weeks of nomination. The committee sends a letter to parents informing them whether or not their child qualifies for the program. Parents must grant permission for their children to participate in the program.

MISD offers a G/T program through differentiated instruction. Teachers tailor the program to each student's interests. The G/T committee provides a syllabus to teachers. MISD also provides teachers a Region 12 handbook, *K-12 Differentiated Scope and Sequence of Processes and Products for Gifted Education*. MISD supplements its differentiated instruction program with two pullout opportunities a year. During the two pullout sessions, G/T students with similar interests work together as teams. G/T students receive enrichment activities in the classroom. In 2002-03, MISD did not have any high school students in its G/T program. MISD does not offer any Advanced Placement (AP) courses but offers college courses through distance learning in collaboration with Hill College. MISD also allows students to take classes above their grade level when parents request it and if the student can pass a pre-test.

The majority of the 25 parents who responded to the TSPR survey questioned the effectiveness of the district's G/T program. Only 24 percent of the 25 parents who responded to the TSPR survey think the district has an effective G/T program. Most parents, 64 percent, did not think the MISD G/T program is effective. **Exhibit 2-19** details the results of the review team's survey.

Exhibit 2-19
TSPR Parent Survey Results
Gifted and Talented Education Program Effectiveness
2002-03

Parents*					
Survey Questions	**Strongly Agree**	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**
The district has effective special programs for Honors/Gifted and Talented Education	8%	16%	12%	32%	32%

Source: TSPR surveys, 2003.
* Twenty-five parents responded to the survey.

MISD also maintains a talent pool of high achieving students who did not qualify for the G/T program or whose parents did not give permission to enroll them in G/T. These students get enrichment activities, participate in UIL and are involved in activities such as the science fair. All MISD kindergarten students are also included in the talent pool.

MISD's administrators said they evaluate the G/T program at the end of each year by ensuring the G/T committee conducts a survey of parents, teachers and students for program feedback.

Many districts increase the number of students in G/T programs by testing all kindergarten and grade 1 students to ensure that no students are overlooked. Many of these districts also increase the number of students in G/T programs by implementing identification and screening processes that allow more ethnic and language minority students the opportunity to demonstrate their skills and abilities in order to be considered for the G/T program. These processes sometimes include a large number of identification criteria and language-free, culturally fair identification instruments such as Raven-a reasoning ability instrument that uses no language-and an achievement measure in Spanish such as the Spanish Assessment of Basic Education. These districts frequently monitor their G/T programs to ensure that all identification and screening procedures adhere to the *Texas State Plan for the Education of Gifted/Talented Students.*

Recommendation 15:

Revise identification and screening procedures to ensure all gifted and talented students are identified and served according to the *Texas State Plan for the Education of Gifted/Talented Students*.

The district should modify its identification and screening procedures to ensure the identification of G/T students at all grade levels. MISD should review its current identification and screening procedures with the assistance of staff from the Region 12 G/T program and modify the procedures. The district should encourage the participation of Hispanic, bilingual/ESL and at-risk students in its G/T program by giving these students the opportunity to demonstrate their skills and abilities to the G/T committee. MISD should make teachers aware of the under-representation of Hispanic, bilingual/ESL and at-risk students in the program. The district should review strategies of similar small districts that have successful G/T programs and more ethnically and linguistically diverse programs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The counselor, principal and superintendent contact Region 12 for assistance to review the procedures and strategies the district uses to identify, test and select students for the G/T program.	September 2003
2.	The counselor contacts small districts with successful and diverse G/T programs. The counselor examines the	October 2003

	procedures and strategies of these districts.	
3.	The counselor works with Region 12 to develop procedures and strategies targeted at lower elementary students, high school students and under-represented groups.	November - December 2003
4.	The principal and the G/T committee follow the modified procedures and implement the targeted strategies.	January 2004
5.	The principal monitors the G/T program to determine effectiveness of the modified strategies and procedures.	May 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

C. CAREER AND TECHNOLOGY EDUCATION

TEC Section 29.181 states that "Each public school student shall master the basic skills and knowledge necessary for managing the dual roles of family member and wage earner; and gaining entry-level employment in a high-skill, high-wage job or continuing the student's education at the post-secondary level." The Texas Administrative Code chapter 74, subchapter A requires school districts to offer "programs of study for broad career concentrations in areas of agricultural science and technology, arts and communication, business education, family and consumer science, health occupations technology, trade and industry and technology education that will prepare students for continued learning and postsecondary education in employment settings."

FINDING

The MISD CATE program is ineffective. It consists of courses in Agricultural Science and Business Computing. MISD does not have a list of CATE courses or a written program description. The program has two teachers, one of whom has probationary certification. The program does not have an advisory committee or relationships with local businesses and does not provide courses through an articulation agreement with any college or university.

MISD serves 31 students in 2002-03 in its CATE programs. **Exhibit 2-20** compares MISD's CATE program participation with that of its peer districts, Region 12 and the state average. MISD has the third lowest percentage of students enrolled in CATE compared to selected peers. MISD's percentage of CATE students is similar to the percentages for both Region 12 and the state. MISD has the third highest percentage of budgeted CATE expenditures and the third highest expenditures per student.

Exhibit 2-20
Percentage of Student Enrollment and Budgeted Expenditures in CATE
MISD, Peer Districts, Region 12 and State
2002-03

District	Number of Students	Percent Enrolled in	Budgeted CATE Expenditures	CATE Expenditures as a	Expenditures Per Student

	in CATE	CATE		Percent of Budget	
Cranfills Gap	52	42.3%	$8,745	1.5%	$168
Penelope	45	25.0%	$74,500	8.7%	$1,656
MISD	**31**	**19.5%**	**$52,588**	**8.0%**	**$1,696**
Megargel	21	36.8%	$77,615	17.1%	$3,695
Prairie Lea	11	4.5%	$46,465	5.4%	$4,224
McDade	N/A	N/A	N/A	N/A	N/A
Region 12	**27,551**	**19.8%**	**N/A**	**N/A**	**N/A**
State	**841,438**	**19.8%**	**N/A**	**N/A**	**N/A**

Source: TEA, PEIMS, 2002-03.
Note: N/A denotes unavailable.

MISD targets its CATE program at students in grades 9 through 12. The CATE program includes two areas of study: Agricultural Science and Business Computing. MISD students may take CATE courses as electives for 0.5 to 1.0 credit. The CATE teachers also offer computer literacy and agriculture courses to students in grades 7 and 8. The agriculture and computer literacy classes have sections on careers. The agricultural courses use curriculum guides developed by the Instructional Materials Services Center at Texas A&M University. **Exhibit 2-21** lists the CATE courses MISD offers.

Exhibit 2-21
MISD CATE Program Courses
2002-03

Career and Technology Classes
Agricultural Science
Introduction to Agricultural Mechanics
Agricultural Mechanics I
Agriculture Science and Technology
Personal Skill Development in Agriculture
Agricultural Metal Fabrication Technology
Animal Production
Home Maintenance

Business Computing
Business Computer Applications I and II Keyboarding/Word Processing Desktop Publishing Accounting* Business Law*

MISD offers three to four courses or sections of a course in each area per semester, but there is no minimum enrollment. Enrollment in 2002-03 in agriculture courses ranged from five to 13 students; enrollment in computer courses ranged from two to 10 students. The district does have curriculum guides for the agriculture courses. CATE teachers take students' interests into consideration and offer courses such as accounting or business law when students request them. The 2002-03 Student Handbook and Student Code of Conduct indicates that MISD offers courses in computer, vocational agriculture, homemaking and multi-occupational cooperative training. However, the district did not include any homemaking courses or multi-occupational cooperative training in its schedule or list of courses.

Only 25 percent of the 25 parents who responded to the TSPR survey said the district has an effective CATE program; 41.7 percent of the parents did not think that the MISD CATE program is effective. **Exhibit 2-22** details the results of this survey. One parent commented that they would like to see the district include such courses as plumbing and mechanics in trade offerings to cater to students not intending to attend college.

Exhibit 2-22
TSPR Parent Survey Results
Career and Technology Education Program Effectiveness
2003

Parents*					
Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
The district has effective CATE programs.	16.7%	8.3%	33.3%	16.7%	25%

Many districts include input from local business representatives and parents when reviewing CATE programs to evaluate future course offerings and to ensure that the needs of the local economy are met and that courses match current industry standards. Many of these districts establish advisory committees to provide ongoing input into CATE program analysis and assist in reviewing student enrollment trends for long-range planning purposes. Furthermore, many CATE programs use available distance-learning equipment and opportunities to provide CATE courses to students.

Recommendation 16:

Strengthen the CATE program by broadening course offerings, involving business representatives and developing articulation agreements with local colleges.

The district should identify and recruit business representatives from the county and establish a business advisory committee. The advisory committee, the principal, superintendent and CATE teachers should determine whether the CATE program should offer more advanced courses on skills in demand in the current job market. The committee should review the CATE program, including equipment and facilities, to ensure that it meets industry standards and is up-to-date. The advisory committee should also be involved in an annual evaluation of the program. The principal and CATE teachers should develop a list of courses and a written description of the program that they can provide to parents, community members and businesses and include in the Student Handbook.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent establishes an advisory committee including the principal, CATE teachers and several business representatives from the county.	September 2003
2.	The advisory committee meets with the superintendent to review the current program, develop a CATE plan including courses offered through distance-learning and/or articulation agreements and establish an annual committee meeting schedule.	October 2003
3.	The principal, superintendent and CATE teachers develop a list of courses and program descriptions, distribute it to students, parents, community members and businesses and	November-December 2003

	include it in the student handbook.	
4.	The principal, superintendent and CATE teachers implement the CATE plan.	January 2004
5.	The advisory committee evaluates the CATE program and submits an annual report to the superintendent and the board.	May 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

D. SPECIAL EDUCATION

Under the federal Individuals with Disabilities Education Act (IDEA), districts must provide appropriate public education for all children with disabilities regardless of their severity. The act requires districts to provide educational services in the "least restrictive environment" and to include students with disabilities in state and district assessment programs. The legislation also requires districts to develop an Individual Education Plan (IEP) for each of these children with input from regular education teachers. The IEP has to provide special education students with curricula that are related to those of children in regular education classrooms.

The 1997 amendments to the IDEA define an effective special education program as having the following elements:

- *Pre-referral intervention in regular education*: When a student has an academic problem in the regular education program, the teacher should intervene to solve the problem. If steps taken to solve the problem by the regular education teacher don't produce results, the problem should be referred to special education staff;
- *Referral to special education for evaluation*: Referring a student to special education means writing an official request supported by documentation. The referral information must include an explanation of steps that have been taken in regular education to solve the student's problem before the referral;
- *Comprehensive nondiscriminatory evaluation*: Once a student has been referred, the district must provide a comprehensive nondiscriminatory evaluation, commonly referred to as an assessment, within a prescribed amount of time;
- *Initial placement through an Admission, Review, and Dismissal (ARD) committee:* After the evaluation is complete, regular and special educators, administrators, counselors, paraprofessionals and parents meet to discuss the results, decide if the student qualifies for special education services in one of 12 federal special education categories, and, if so, write a plan for the student's education;
- *Provision of educational services and supports according to a written Individualized Education Plan:* The individualized education plan (IEP) developed by the ARD committee includes information about the classes, subject areas, developmental areas and/or life skills courses in which the student will be instructed, how much time will be spent in regular education and related needs like speech therapy or counseling;

- *Annual program review:* Each year after a student's initial qualification and placement, an ARD committee conducts a review to ensure the student's program is appropriate;
- *Three-year re-evaluation:* Every three years, the student undergoes a comprehensive individual assessment. Another ARD committee meeting is held to discuss the results of the re-evaluation and determine if the student still qualifies for special education services in the same category; and
- *Dismissal from the special education program:* If and when a student no longer meets the eligibility criteria, the student is dismissed from special education. The ARD committee must make this decision.

FINDING

MISD provides a comprehensive set of special education services through its participation in the Bosque County Educational Cooperative. MISD belongs to the Bosque County Educational Cooperative, which is located in Meridian. The Bosque County Educational Cooperative serves eight small districts: Morgan, Cranfills Gap, Gholson, Iredell, Kopperl, Meridian, Walnut Springs and Valley Mills. The Bosque County Educational Cooperative offers several programs such as a full-day Preschool Program for Children with Disabilities (PPCD) who are three to five years old; an Elementary Life Skills program for students from kindergarten to grade 6 whose needs can not be met in their home district; and a Secondary Life Skills program for students in grades 7 to 12 with severe educational deficits or multiple disabilities who need instruction and training in independent living skills, minimal basic academic skills or functional living.

The cooperative also offers a half-day Career Technology Education for Disabled Students program with morning and afternoon classes in Valley Mills and a behavior modification program: Behavior, Education, Skills Training (BEST). In 2002-03, five MISD students were in the PPCD program, less than five are in the BEST program and less than five students are in the elementary and secondary life skills programs.

The cooperative has itinerant staff that serve the eight member districts. Bosque County staff serve MISD on a weekly and an as-needed basis. The Bosque County speech therapist serves the district one day a week, the diagnostician works in Morgan one day a week and the occupational therapist and physical therapist provide services as specified in students' IEPs. MISD has one special education teacher.

MISD serves special education students in various instructional arrangements:

Mainstream. To determine the least restrictive environment for each student, district personnel first must consider providing services in regular education with supplementary aids. Students with disabilities who spend all of their classroom hours in a regular classroom are called "mainstreamed." MISD places all special education students in at least one regular classroom.

Resource. MISD assigns students to a separate, special education classroom upon the recommendation of an ARD committee. MISD typically offers these classes, called resource classes, in the core areas of reading/language arts, mathematics, social studies and science. Resource classes are correlated with the TEKS and follow the students' IEPs as well as the sequenceof study in the regular classes. Students in this category take a combination of regular classes and resource classes.

Self-Contained classes. MISD serves students with severe disabilities who cannot get a satisfactory education in a regular classroom in a separate, self-contained classroom in the cluster school. The self-contained classes include a PPCD, an elementary life skills class, a secondary life skills class and elementary and secondary BEST classes.

In each of these settings, MISD provides appropriate curriculum modifications and services. ARD committees composed of parents and professional staff members determine program eligibility and participation, draft IEPs and decide on placements and dismissals from special education.

Exhibit 2-23 shows the number of students enrolled and the expenditures for special education in MISD, the peer districts, Region 12 and the state as reported to TEA in fall 2002-03. MISD's percentage of special education students is higher than Region 12 and state averages and is the second highest when compared with its peers. MISD administrators and staff and Bosque County Educational Cooperative administrators attributed the high percentage of special education students in the district to district demographics including the low educational attainment of parents, little or no parental involvement in and support for the school and its programs, lack of recognition of the importance of education and the movement of families with multiple children classified as special education into the district. MISD has the third highest percentage of special education budgeted instructional expenditures. MISD has the third lowest per student expenditure among its peers.

<div align="center">

Exhibit 2-23
Special Education Enrollment and Expenditures
MISD, Peer Districts, Region 12 and State
2002-03

</div>

District	Number of Special Education Students	Percent of Special Education Students	Budgeted Special Education Expenditures	Percent of Budgeted Instructional Expenditures	Per Student Expenditure
Prairie Lea	31	12.7%	$169,892	19.8%	$5,480
MISD	**29**	**18.2%**	**$32,863**	**5.0%**	**$1,133**
Cranfills Gap	24	19.5%	$7,641	1.3%	$318
Penelope	23	12.8%	$97,321	11.3%	$4,231
McDade	21	9.5%	$9,099	0.9%	$433
Megargel	*	7.0%	$20,801	4.6%	$5,200
Region 12	**20,892**	**15.0%**	**N/A**	**N/A**	**N/A**
State	**492,973**	**11.6%**	**N/A**	**N/A**	**N/A**

Source: TEA, PEIMS, 2002-03.
*Note: N/A denotes data not available, and * denotes five or fewer not reported due to privacy reasons.*

According to MISD in March 2003, 41 students, or 25.8 percent of its student population, was receiving services through the special education program. **Exhibit 2-24** shows the distribution of special education students by grade level. The largest percentages of special education students are in grades 5 and 6.

Exhibit 2-24
MISD Students Enrolled in Special Education
by Grade Level by Percent
2002-03

Grade Level	Percent of Students
Early Education	12.2%
Grade 1	0.0%
Grade 2	0.0%
Grade 3	4.9%

Grade 4	4.9%
Grade 5	17.1%
Grade 6	14.6%
Grade 7	4.9%
Grade 8	12.2%
Grade 9	7.3%
Grade 10	7.3%
Grade 11	12.2%
Grade 12	2.4%
Total	**100.0%**

Source: Bosque County Educational Cooperative.

Exhibit 2-25 describes MISD's students in special education by primary disability.

Exhibit 2-25
MISD Students Enrolled in Special Education
by Primary Disability
2002-03

Disability	**Percent of Students**
Learning Disability	58.5%
Emotional Disturbance	7.3%
Other Health Impairments	4.9%
Speech Impairment	12.2%
Mental Retardation	12.2%
Non-categorical Early Childhood	4.9%
Total	**100.0%**

Source: Bosque County Educational Cooperative.

The Bosque County Educational Cooperative participates in School Health and Related Services (SHARS) and in the Medicaid Administrative Claims (MAC) programs. The state's Medicaid program was amended in September 1992 allowing school districts to enroll as Medicaid providers and apply for Medicaid reimbursement for the services they provide to

students with disabilities. SHARS provides reimbursement for services determined to be medically necessary and reasonable to ensure that a disabled child under the age of 21 receives the benefits of a free and appropriate public education. Services include assessment, audiology, counseling, medical services, school health services, occupational therapy, physical therapy, speech therapy, physiological services and associated transportation. The Bosque County Educational Cooperative contracted with AMG Services for assistance with SHARS reimbursements and received $62,259 in 2001-02.

MAC is another reimbursement program available to Texas school districts. MAC reimburses districts for health-related administrative services that cannot be billed through SHARS. MAC reimburses school districts for administrative services such as referral, outreach and coordination. MISD participates in the MAC program through the Bosque County Educational Cooperative and, in 2001-02, received $18,773 in MAC reimbursements.

COMMENDATION

MISD provides comprehensive special education services through its participation in the Bosque County Educational Cooperative.

Chapter 2

E. DROPOUT PREVENTION/ALTERNTIVE EDUCATION

Texas has identified dropout prevention as one of the education system's primary goals. TEA requires districts to report information on students who leave school according to specified Leaver Codes and Definitions. TEA then uses this information to determine a district's dropout rate and requires districts to develop a comprehensive dropout prevention plan that addresses how schools will work to prevent students from dropping out of school.

MISD participates in an eight-district disciplinary alternative education program (DAEP). Located in Meridian, the DAEP is also a part of the Bosque County Educational Cooperative. The DAEP was designed to accommodate 16 students, two from each participating district. Each district pays a program participation fee of $1,500 per semester regardless of whether any students are enrolled in the program. Each district also pays a $20 per student per day fee. The DAEP facility has two classrooms, one for elementary students and one for secondary students, as well as two offices. An administrator serves as an instructor and oversees the discipline program, and a special education-certified teacher provides regular education instruction. The program handles about 60 students a year. Districts place students in the program for a minimum of 30 days and a maximum of one year. A second placement within the same academic year is for a minimum of ten weeks. Prior to placement, the student and the student's parents have to sign an Individual Learning Contract. The program has a dress code. In 2001-02 MISD placed seven students in the DAEP; in 2000-01 MISD placed fewer than five students; and in 1999-2000 it placed six students.

The instructional program consists of the four core areas and physical training that includes daily military drills. Students also receive lectures in conflict avoidance, social skills, coping skills, assertiveness training and stress awareness. Students placed in the DAEP receive assignments from the teachers in their home school. DAEP staff monitor student progress. The home school teachers grade the assignments. Teachers modify the assignments for a self-learning pace. The DAEP did not have any computers until 2002-03. The program received a technology grant in 2002, which it used to purchase 10 wireless laptop computers. The program plans to use the computers to work with Plato, a technology-based self-paced program that it will access through the Internet. The DAEP administrator visits the home campuses of students who completed the DAEP program and communicates with principals and teachers about the students. DAEP staff receives professional development through

Region 12. DAEP staff also participates in round table discussions. The DAEP has a management board that oversees the program; the board consists of the eight superintendents of the participating districts.

FINDING

MISD reduced its dropout rate through multiple strategies. MISD decreased its dropout rate from 3 percent in 1997-98 and 3.8 percent in 1999-2000 to 0.0 percent in 2000-01. Of the six peer districts, three, including MISD, had a zero dropout rate in 2000-01. MISD's dropout rates in 1997-98, 1998-99 and 1999-2000 were higher than the regional and state dropout averages. **Exhibit 2-26** displays dropout rates for MISD and its peer districts.

Exhibit 2-26
Annual Dropout Rates
MISD, Peer Districts, Region 12 and State
1996-97 through 2000-01

District	1996-97	1997-98	1998-99	1999-2000	2000-01
Prairie Lea	0.9%	3.5%	0.0%	0.0%	2.2%
Megargel	0.0%	10.1%	10.8%	2.1%	0.0%
MISD	**0.0%**	**3.0%**	**2.4%**	**3.8%**	**0.0%**
Penelope	0.0%	0.0%	0.0%	0.0%	1.1%
Cranfills Gap	0.0%	0.0%	0.0%	0.0%	0.0%
McDade	*	*	*	0.0%	0.0%
Region 12	**0.9%**	**1.1%**	**1.3%**	**1.1%**	**1.1%**
State	**1.6%**	**1.6%**	**1.6%**	**1.3%**	**1.0%**

Source: TEA, AEIS, 1996-97 through 2000-01.
*Note: * denotes five or fewer not reported due to privacy reasons.*

MISD has used several strategies to decrease its dropout rate. The district's approach is prevention. MISD assigned a staff member to monitor daily attendance and call the homes of absent students. The MISD staff member in charge of attendance keeps the principal informed and identifies students who are absent. The principal asks the Bosque County Sheriff's Department to visit the parents of the absent child. The district identifies students who might be at risk of dropping out and provides the information to their teachers. MISD also has a character education

program implemented at all grade levels and a student-mentoring program where junior high school students read to grade 2 students.

MISD believes successful students will not drop out of school; the district provides academic support and counseling intervention to help students become successful. MISD offers after-school tutorial sessions to elementary school students. High school teachers have an extra period for tutoring during the regular school day. Although MISD does not offer a summer school program, district administrators make arrangements with a neighboring district, Kopperl ISD, which offers a summer school program, to accept MISD students. MISD also makes arrangements for its students to enroll in a general education diploma (GED) program in neighboring districts such as Clifton or Meridian or at Hill College.

COMMENDATION

MISD used multiple strategies-such as monitoring attendance daily, providing information to teachers on identified at risk students and providing academic support and counseling-to reduce its dropout rate below the regional and state averages.

Chapter 2

F. LIBRARY/MEDIA SERVICES

In May 1997, the Texas State Library and Archives Commission adopted a series of recommended standards, *School Library Program Standards: Guidelines and Standards*. The school library programs, as outlined in the *Guidelines and Standards,* seeks to ensure that students and staff alike effectively use ideas and information and become literate, life-long learners. To accomplish this task, the library program should provide instruction in research and the evaluation of resources, individual guidance and access to materials in multiple formats. The guidelines offer criteria that identify library programs as exemplary, recognized, acceptable or below standard in the areas of the library learning environment, curriculum integration, resources, library program management and facilities. The No Child Left Behind (NCLB) legislation, Subpart 4 - Improving Literacy Through School Libraries - emphasizes the importance of libraries. NCLB considers libraries as resources for improving literacy skills and academic achievement of.

MISD library staff consists of one full-time library aide and a certified librarian who works in the district one day a week. MISD participates in the Region 12 Education Co-op, located in Waco, which provides counselors and librarians to participating districts. The librarian teaches research skills to teachers and students, helps teachers and students find books and trains teachers and students how to use the Athena automated catalog system. The librarian also updates the library books and materials. The library aide manages the library, implements the Accelerated Reading program, assists students with research projects and purchases books and materials for the library based on teacher assessments. The library operates from 7:30 a.m. to 2:30 p.m. every day, but students can stay in the library until 4 p.m. The library is also open to the community, who can use the computers in the library and check out books. MISD does not have a public library.

FINDING

MISD's administrators, librarian and aides collaborate to ensure that the library collection meets the Recognized level for the school size specified in the *School Library Programs Standards. The School Library Standards* define a Recognized collection as a balanced collection of 10,800 items for schools with 600 or fewer students. An Exemplary collection is a balanced collection with at least 12,000 items for schools with 600 or fewer students.

The MISD collection consists of 11,101 items. The library has 69 books and media items per student. MISD does not have a written weeding policy, but the librarian weeds books on an ongoing basis. The library aide sends an annual memo to all teachers asking them to identify books and other library materials they need. Based on feedback from the teachers, the library aide prepares a purchasing list. In 2001-02, MISD allocated $5,000 to the library to purchase books and other materials. The library budget for 2002-03 was $4,000. The library has five computers for students and expects to get six more computers in 2003 through a TIF grant.

The MISD library has an automated card catalog. The card catalog is loaded on every computer in the library. MISD is a member of the Texas Library Collection (TLC), a statewide resource sharing system administered by the TEA that facilitates libraries' technical services, assists with local collection development and provides access to electronic full-text resources. The MISD DIP includes the library as one of the strategies the district will use to enhance student achievement.

The majority of the 25 parents who responded to the TSPR survey-72 percent, agreed that MISD has an effective library program (**Exhibit 2-27**).

Exhibit 2-27
TSPR Parent Survey Results
Library Service Program Effectiveness

Parents*					
Survey Questions	**Strongly Agree**	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**
The district has effective special programs for Library Service.	12%	60%	12%	8%	8%

Source: TSPR surveys, 2003.
*Twenty-five parents responded to survey.

COMMENDATION

MISD's library collection meets Texas State Library and Archives Commission's "Recognized" standard for collection size.

FINDING

MISD upgraded its library with new Athena circulation and catalog software. The library aide can check out all books through the Athena computerized circulation program. The program tracks library inventory in real time and also makes checking out a book much easier; it has up-to-date student information listed in its records. The school library aide no longer has to keep a paper list of students who have holds on their records that prevent them from checking out books. MISD automated its catalog after it became a TLC member two years ago.

MISD has 11 computers in the library including six that were added in 2002-03 through a TIF grant.

COMMENDATION

MISD's library processes are automated and provide Internet access to students to improve their academic opportunities.

Chapter 2

G. SAFETY AND SECURITY

In 1995, the Texas Legislature required each school district to adopt a student code of conduct for discipline management and set the consequences for misbehavior. An effective program of safety and security begins with understanding prevention, intervention and enforcement, according to the Comptroller's 2000 report *Keeping Texas Children Safe in School.* **Exhibit 2-28** provides details about this report.

Exhibit 2-28
Steps for Keeping Texas Children Safe in School

Strategy	Steps to be Taken
Prevention	• Know your goals and objectives; where your district is going and what you want to accomplish. • Establish clear expectations for students, parents, teachers and administrators. • Address warning signs before they turn into trouble.
Intervention	• Look for trouble before it finds you. • Recognize trouble when you see it. • Have individuals in the right place and at the right time to intervene. • Have a plan of action appropriate for the occasion and practice it.
Enforcement	• Leave no room for double standards. • Ensure that discipline management exists inside and outside the classroom. Alternative programs are not just a matter of compliance with the law; they are many students' last chance at success.

Source: TSPR, Keeping Texas Children Safe in School, January 2000.

Exhibit 2-29 shows the major safety issues contained in bills passed in the last two legislative sessions.

Exhibit 2-29
Major Legislative Issues Related to School Safety and Security
1999 and 2001 Legislative Sessions

1999 Legislation	Major Issues Related to School Safety and Security
Senate Bill 260	Allows the expulsion of students who assault a school district employee.
Senate Bill 1580	Creates the Texas Violent Gang Task Force.
Senate Bill 1724	Beginning in 1999-2000, requires each school district to annually report the number, rate and type of violent and criminal incidents occurring at each school and allows the option of including a violence prevention and intervention component in the annual school improvement plan.
Senate Bill 1784	Allows school districts to use private or public community-based dropout recovery education programs to provide alternative education programs.
House Bill 152	Makes placing graffiti on school property a felony.
House Bill 1749	Encourages school districts and juvenile probation departments to share information on juvenile offenders.
2001 Legislation	Major Issues Related to School Safety and Security
House Bill 688	Prohibits possession of an open container or consumption of an alcoholic beverage within 1,000 feet of a public or private school.
House Bill 1088	Requires removing a student from class and placing them in an alternative education program if the students engage in making false alarms or terrorist threats.

Source: Texas Legislature Online.

MISD policy stipulates that rules of conduct and discipline will be maintained in a student handbook that references specific areas of student conduct such as appropriate dress, damage to school property, hazing and smoking.

FINDING

MISD uses multiple strategies to provide a secure campus for students, staff and administrators. MISD's DIP sets a performance objective which is provide a safe environment for learning and identify multiple strategies to achieve this objective. Following September 11 events, MISD decided to keep the external doors to the school locked during daytime. MISD changed the locks and re-keyed the external doors. MISD replaced one of

the doors, changed door handles and installed panic hardware. Fire and building codes require exit doors to be non-locking from the inside. These doors cannot require a special key or tool to open. Panic hardware allows doors to be inaccessible from the outside, while still complying with fire codes that require doors that can be opened from the inside. The front entry to the school consists of two doors. The first door is unlocked, but the second door is locked and has a doorbell. Central office staff looks at who is at the door before opening the door. All persons coming into the school must ring the doorbell before they are admitted. All persons have to stop at the front office, register and wear a visitor's badge.

Since the winter of 2002, MISD also keeps all classroom doors locked at all times following an incident with a parent who came into a classroom to confront a teacher without checking in at the front office. Students who leave the classroom have to knock on the classroom door to be re-admitted. All classroom doors have windows or peepholes for teachers to see the child or adult knocking on the door. This interrupts the class and some teachers complained. All classrooms have two-way communication with the central office in case of trouble or an emergency. MISD did not receive any complaints from parents about the school's security. The school's backyard is fenced. The school also installed an alarm system in 1998-99. A company monitors the alarm system.

The superintendent assumes primary responsibility for safety and security. The superintendent evaluates the campus safety and security by walking-through the buildings. The superintendent reports to the board on the school's security status every month.

MISD wants to buy wireless surveillance cameras to avoid wiring costs. MISD plans to install these in the corridors. MISD is considering collaborating with the town of Morgan on a joint grant application for wireless cameras. Once these cameras are installed, the district will only keep the outside doors locked and unlock the classroom doors.

COMMENDATION

MISD maintains a secure campus through a variety of strategies and collaborative staff efforts.

FINDING

MISD has published an Emergency Response Checklist to guide staff during emergencies. The checklist covers accidents, assaults, bomb threats, chemical spills, child abuse, kidnapping, death, fire, gang altercations, operational crises, leaks, riots, security breaches, natural disasters, evacuation plans and emergency numbers. Every teacher and

administrator has a copy. The district executes drills periodically to reinforce the plans to be carried out in emergency situations.

COMMENDATION

MISD has developed and routinely tests its Emergency Response Checklist to ensure the safety of students and staff in the event of emergencies.

FINDING

MISD effectively maintains student discipline with a detailed student handbook and cooperative districtwide efforts. MISD experienced few disciplinary problems from 1999-2000 to 2001-02. The thorough MISD *Student Handbook and Code of Conduct* outlines the district's standards for student behavior and its authority to impose discipline. The document includes sections on the rights of students, teachers and parents; expected student behaviors and consequences for violating these behaviors; discipline management techniques; prohibited activities; and procedures for removal of a student from and re-entry into school for disciplinary reasons. The *Student Handbook and Code of Conduct* also includes a glossary defining and explaining terminology to ensure that both students and parents clearly and consistently understand the text.

The Safe and Drug-Free Schools and Communities Program Annual Evaluation of behavior incidents shows a small number of behavior incidents involving MISD students. **Exhibit 2-30** documents the number of behavior incidents at MISD and its peer districts from 1999-2000 to 2001-02.

Exhibit 2-30
Behavior Incidents
MISD and Peer Districts
1999-2000 Through 2001-02

District	1999-2000	2000-01	2001-02
Prairie Lea	41	28	58
Cranfills Gap	27	26	66
Megargel	11	8	5
MISD	**6**	**5**	**8**
Penelope	5	6	5
McDade	0	0	0

The district has a student dress code that prevents students from wearing clothing that is too suggestive or that supports any gang. The district implements a Together Against Drugs program in collaboration with staff from the Sheriff's Department. The Sheriff's Department staff work once a week for eight weeks with grade 5 students on a drug prevention program. The district brings in drug dogs to perform random drug and alcohol searches. MISD participates in a disciplinary alternative education program in Marlin. Although the district does not have an In-School Suspension program, teachers can send students to the principal's office. These students sit outside the principal's office and do their classroom work.

COMMENDATION

MISD uses a detailed discipline management plan and student code of conduct to consistently enforce disciplinary standards.

Chapter 2

H. COMPUTERS AND TECHNOLOGY

Use of technology enables school districts to enhance operational, instructional and business programs. Technological advances in hardware and software combined with affordable pricing allow districts of all sizes to use information systems to perform vital functions.

Information technology provides a number of benefits to districts including increased processing speed, more information and increased efficiencies through program integration and communication networks. This section assesses the district's use of information technology in both its instructional and administrative applications. This assessment includes information system planning, operational and organizational controls, system applications, system acquisition, user input and program evaluation.

MISD has one school that holds classes for students from pre-kindergarten to grade 12. MISD has wired each classroom for three computers. MISD has an 18- station learning lab for the secondary students, two computers for the yearbook, a five-computer reading lab and 11 student computers in the library. The lab and the library computers are connected to the Internet and the Texas Library Connection (TLC) and are equipped with Athena software. TLC is an educational technology initiative of TEA. The TLC Information Center supports all Texas schools by providing electronic access to books and literature. Each classroom is equipped with at least one computer with Internet access. The administrative office has IBM-compatible computers. The district uses Microsoft 2000 software products for administration and contracts with J.W. Anderson Consulting for PEIMS, student accounting and fund accounting software.

Internet capabilities extend throughout the campus. A T1 line connects the district to Edlink 12 at Region 12. Currently, all classrooms have at least one networked computer connected to the Internet. The computer and reading labs are networked through a local area network and have Internet capability. The library multi-media research center has access to the Internet and to TLC. The distance learning room is equipped with distance learning/video conferencing equipment linked through Edlink 12 at Region 12.

MISD has 75 student computers and 17 administrative or teacher computers (**Exhibit 2-31**).

Exhibit 2-31
MISD Computer Placement
2003

Location	Room Number	Number of Student Computers	Number of Teacher/ Administrative Computers	Number of Printers
Computer Lab for Secondary Use	26	18	1	1
Computer Lab (yearbook use)	26	2	0	2
Library	Library	11	2	1
Distance Learning for Secondary Use	Coaches Office	2	0	1
CEI Reading Lab	Room 13	5	1	1
Administrative Offices	Offices	0	4	4
Classrooms	Classrooms	37	9	13
Total		**75**	**17**	**23**

Source: MISD, superintendent and technology coordinator.

MISD's technology infrastructure is set on a 100 Megabit backbone powered with Cisco System core switches, routers and hubs. Fiber optic cabling is providing the buildings wide area access to the network. Region 12 provides MISD with e-mail services for staff and Internet content filtering. Windows NT powers the file servers for the local area network. The district uses a variety of operating systems: including Windows 95, 98, Millennium Edition (ME), 2000, XP and Pro. The district uses specialized software for educational purposes such as Accelerated Reader, Academy Reader and Plato math software.

The Technology Committee has established six distinct goals for the district's technology plan. They are:

- students will be afforded equal access to current technology through computers in the classroom, Internet access and access to computers in the library;
- teachers will be afforded equal access to current technology by computers in the classroom and Internet access;

- community members will be afforded equal access to current technology;
- initial and ongoing training for students and teachers;
- expansion and upgrade of network and workstations and sharing of educational software; and.
- technology will be integrated in all areas of the educational curriculum to enhance the curriculum and develop distance-learning opportunities.

FINDING

MISD is working to give student's access to technology by improving its ratio of students to computers (**Exhibit 2-32**).

Exhibit 2-32
Student-to-Instructional Computer Ratio Comparisons
2002-03

	Student Enrollment	Number of Student Computers	Ratio of Students to Computers
Secondary	99	45	1:2
Elementary	62	30	1:2
Total	**161**	**75**	**1:2**

Source: TEA, PEIMS, 2001-02 and MISD, superintendent interview and facility tour.

MISD has built its technology infrastructure by securing grant money from the federal government and the Telecommunications Infrastructure Fund (TIF) Board. **Exhibit 2-33** lists the technology grants that MISD has received.

Exhibit 2-33
MISD Technology Funding
1996-97 through 2002-03

Year	Type	Amount	Use
2001-02	Grant: TIF PS9	$50,000	Replaced four lab computers; bought classroom computers; added additional drops to classrooms; and purchased LCD projector, two laptops and one scanner.
2002-03	Grant: TIF	$27,840	Purchased 10 computers for library and

	LB13		replaced four older computers; added drops in the library; trained the library aide; and purchased a scanner, printer, bar code scanner, LCD projector and digital camera.
2002-03	E-Rate	$28,000	Applied for E-Rate assistance to pay for the T1 line, telephone bills and qualified for assistance on adding more drops and switches.
1996-97	PS3	$74,849	Purchased the distance learning equipment
2002-03	Local Funds		Purchased three administrative computers and two special education classroom computers.
Total Technology Funds Received		**$180,689**	

Source: MISD, superintendent interview and Bosque County Educational Cooperative Web site.

COMMENDATION

MISD obtained grants to improve its educational technology and provide enhanced services to students.

FINDING

MISD is not managing its technology maintenance and repair backlog to ensure that its 75 student workstations, 17 administrative workstations and 23 printers remain operational.

An array of people provide technology maintenance and repair to support MISD's 92 computers. **Exhibit 2-34** describes the structure of MISD's technology functions.

Exhibit 2-34
Technology Organization

2002-03
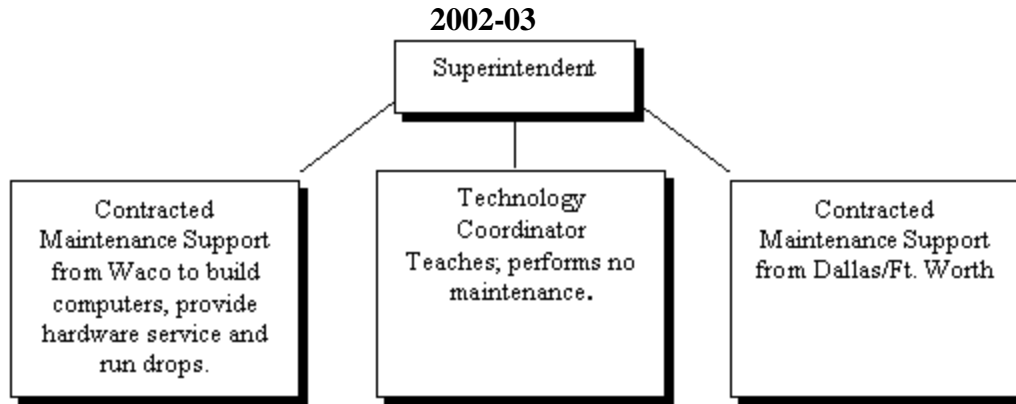
Source: MISD, superintendent interview.

The technology coordinator teaches technology classes; her availability for maintenance and repair of computers is limited due to her availability and skill level. Two out-of-town vendors supply maintenance and repair services to MISD. They come to the district after a problem occurs and when time permits. The vendors do not perform any scheduled preventive maintenance.

A Waco firm builds computers for the district and performs some hardware maintenance when the district requests it. The district contracts maintenance support from a Dallas firm for the server hardware, software and printers. If a problem occurs, district staff complete and give a work order to the superintendent who then determines whether or not to contact the Dallas firm depending upon the severity of the computer problem. If the superintendent requests service, the vendor schedules a visit when it has available time.

Hardware often sits inoperable for an extended period of time according to staff if a work order is not placed with the vendor or the vendor cannot schedule a timely visit. **Exhibit 2-35** presents some of the computer problems that MISD experienced in 2002-03 for which the district did not have documentation to show resolution.

Exhibit 2-35
MISD Hardware Problems
2002-03

Location	Problem	Work Order Submittal Date
CEI Lab	Only three of the five student computers work.	
English	Printer not working.	9/16/02

Classroom		
English Classroom	The "G" key is not functioning properly and the older computer is not working.	10/2/02
English Classroom	Accelerated Reader software needs to be loaded on two computers	9/16/02

Source: MISD, teacher interviews, March 2003 and MISD, Technology director.

The superintendent has already explored the possibility of sharing a technology resource person with Kopperl, Cranfills Gap and Meridian ISDs to improve in computer repairs and to provide regularly scheduled maintenance.

Some neighboring districts cooperatively participate in shared service agreements to provide services otherwise unavailable due to limited staffing, resources or expertise. Karnes City ISD shared a Technology coordinator with neighboring Falls City ISD. Many districts sharing services consider budget implications, service expectations, skill requirements, management oversight, compensation and service provider selection.

Recommendation 17:

Coordinate the development of a shared technology specialist between surrounding school districts.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent works with the technology coordinator to gather and summarize all cost data relating to the support of hardware, software and networks for MISD and surrounding school districts.	December 2003
2.	The superintendent researches and selects alternative methods of providing technology services to MISD and the surrounding districts that makes economic sense for the vendor and the districts.	January 2004
3.	The superintendent meets with the surrounding districts to discuss alternatives, budget implications, service expectations, skill requirements, management oversight, compensation and service provider selection.	February - March 2004
4.	The superintendent coordinates commitments from neighboring districts and prepares a contract obligating the surrounding districts to share the costs of a technology maintenance	May 2004

	provider.	
5.	The superintendent guides the interview committee to select and hire a shared technology person.	July 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The district does not have a disaster recovery plan. In a disaster, districts must be able to continue functioning with limited disruption to day-to-day operations.

Essential elements of a disaster recovery plan include appointing a disaster recovery team; compiling a list of persons to contact after a disaster; listing critical school functions and essential office equipment; and detailing required staffing levels needed immediately after a disaster.

A disaster recovery plan must include contingency and backup plans for information technology. **Exhibit 2-36** summarizes the key elements of a disaster recovery plan.

Exhibit 2-36
Summary of Key Disaster Recovery Plan Elements

Step	Details
Build the disaster recovery team	• Identify a disaster recovery team that includes key policymakers, building management, end-users, key outside contractors and technical staff.
Obtain and/or approximate key information	• Develop an exhaustive list of critical activities performed within the district. • Estimate the minimum space and equipment necessary for restoring essential operations.
Obtain and/or approximate key information (continued)	• Develop a timeframe for starting initial operations after a security incident. • Develop a list of key personnel and their responsibilities.
Perform and/or	• Inventory all assets, including data, software,

delegate key duties	hardware, documentation and supplies. • Set up a reciprocal agreement with comparable organizations to share each other's equipment or lease backup equipment in the event of a disaster to allow the district to operate critical functions. • Make plans to procure hardware, software and other equipment as necessary to ensure that critical operations are resumed as soon as possible. • Establish procedures for obtaining off-site backup records.
Perform and/or delegate key duties (continued)	• Locate support resources that might be needed (e.g., equipment repair, trucking, and cleaning companies). • Arrange with vendors to provide priority delivery for emergency orders. • Identify data recovery specialists and establish emergency agreements.
Specify details within the plan	• Identify individual roles and responsibilities by name and job title so that everyone knows exactly what needs to be done. • Define actions to be taken in advance of a disaster • Define actions to be taken at the onset of a disaster to limit damage, loss and compromised data integrity. • Identify actions to be taken to restore critical functions. • Define actions to be taken to reestablish normal operations.
Test the plan	• Test the plan frequently and completely. • Analyze the results to improve the plan and identify further needs.
Deal with damage appropriately	• If a disaster actually occurs, document all costs and videotape the damage. • Be prepared to overcome downtime on your own; insurance settlements can take time to resolve.
Consider other significant issues.	• Do not make a plan unnecessarily complicated. • Make one individual responsible for maintaining

| | the plan, but have it structured so that others are authorized and prepared to implement it if needed. |
| | • Update the plan regularly and whenever changes are made to your system. |

Glen Rose ISD developed a comprehensive disaster recovery plan for handling the loss of its information systems. The district's disaster recovery plan includes emergency contacts for the technology department staff, the district and software and hardware vendors. The plan is complete with protocols for both partial and complete recovery to ensure that the technology staff is knowledgeable in every aspect of recovery and restoration. The plan outlines designated alternate sites dependent upon the type of outage that occurs. The plan also includes system redundancy and fault protection protocols as well as a tape backup plan. While Glen Rose is a much larger district, the key elements of its plan are the same as those of much smaller districts.

Most school districts use a disaster recovery plan to recover technology operations more quickly in the event of a disaster. Many of these disaster recovery plans include all district operations, such as transportation and food service and a wide range of contingencies from minor emergencies, such as a power outage, to major disasters. In addition, many of these districts' disaster recovery plans also include classification of data based on risk factors, such as high, moderate and low. Frequently the risk factors include:

- documentation on testing procedures;
- execution of plan testing, such as on a rotation basis based on risk factors;
- staff involved in the testing;
- frequency of the testing; and
- communication of testing results.

Recommendation 18:

Prepare a disaster recovery plan.

Specifically for technology, a comprehensive disaster plan should include computer virus protection, disaster recovery and back-up procedures.

The district should obtain and review disaster recovery plans available from Region 12 or other Regional Service Centers as well as Glen Rose ISD and other school districts in the area.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent establishes a disaster recovery team, composed of the technology coordinator, school staff and representatives from the Food Services and Maintenance/Transportation departments.	October 2003
2.	The disaster recovery team develops the disaster recovery plan.	November - December 2003
3.	The disaster recovery team presents the plan to the superintendent and board for approval.	January 2004
4.	The technology coordinator communicates the plan to the appropriate personnel.	February 2004
5.	The disaster recovery team tests of the plan.	March - April 2004
6.	The technology coordinator reports the results to the superintendent and the school board.	April 2004
7.	The disaster recovery team monitors ongoing plan review and testing, updating the plan as necessary.	May 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not maximize use of its distance learning equipment and services. Distance learning uses telecommunications technologies, including satellites, telephones and cable television systems to broadcast instruction from one central site to one or more remote locations. This technology can provide an excellent resource for administration, faculty, board members and students

MISD used a Telecommunications Infrastructure Funds (TIF) grant for $74,849 to purchase and install distance-learning equipment in 2000-01. MISD currently offers dual credit courses-including government, psychology and economics-to junior and senior students. The district's

coach oversees the students taking distance learning courses, administers associated tests and faxes the tests to the instructing institution for grading,

MISD has an agreement that allows its students use the distance learning equipment to take dual credit/college courses at Hill College. Students pay tuition directly to Hill College for their courses. In 2002-03, tuition cost $225 for a three-credit course. Only one student took advantage of this agreement in 2002-03; one student took a course at Hill College in 2001-02 with MISD's distance learning equipment. MISD does not have arrangements with other districts that offer advancement placement courses or other high school courses that MISD does not offer. MISD also has not used its distance learning equipment for professional development for its faculty or as a means of providing school leadership education to its administrators or professional development for its board members.

School districts often use distance learning to offer college level courses, AP courses and CATE courses to their students. Some districts promote these opportunities to students and parents using the school newsletter or fliers. Grape Creek ISD-a district with 1,180 students-publishes a Student Program Guide that describes all educational programs available to students in detail. These courses include those offered via distance learning and college courses offered at Howard College.

Falls City ISD (FCISD), a district with 316 students, uses distance learning to provide access to continuing education classes through Palo Alto College using distance learning. Dallas ISD broadcasts educational programs-including staff development for teachers and administrators-through distance learning to all district campuses. Lyford ISD , a district with 1,503 students, offers The High School to University Program by Distance Learning. This program offers courses in U.S. history, English, college-level algebra and political science.

Recommendation 19:

Develop an action plan to fully implement distance-learning programs and promote the use of distance learning for students, faculty, administrators and board members.

The district should evaluate current and future projections for staffing, course offerings and course enrollments to prepare a written plan identifying future staffing needs, course goals and detailed action steps. MISD should take advantage of its distance-learning capabilities to provide Advanced Placement and other course offerings to students through collaboration with other districts that either offer courses not otherwise available to students in the district or that want to combine courses with low student enrollments as a cost-saving measure. MISD

should promote these courses to students and parents and also promote professional development and training opportunities available through distance learning for faculty, administrators and board members. In addition, MISD should also identify and promote adult learning opportunities for its community.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and principal evaluate current and future projections for staffing, course offerings and course enrollments as they relate to current and future distance-learning opportunities.	September - October 2003
2.	The superintendent instructs the principal and technology teacher to request and review information from Region 12 and districts and colleges with distance-learning programs that offer Advanced Placement courses, similar courses currently offered as low-enrollment courses by the district and courses not offered by the district.	November - December 2003
3.	The superintendent and principal request and review information regarding professional development courses and adult learning opportunities for faculty, administrators, board members and the community from Region 12, TEA, the Texas Association of School Boards and other entities.	November - December 2003
4.	The superintendent, the principal and the technology teacher develop a written plan for distance-learning programs for students, faculty, administrators, board members and community members including any recommended staffing adjustments.	January - February 2004
5.	The superintendent presents the plan to the board for review.	February 2004
6.	The superintendent informs staff, students, parents and board members of the distance-learning plan, including any staffing changes and publicizes availability of courses.	March 2004
7.	The superintendent and principal implement the action steps for the distance-learning program.	March - May 2004

FISCAL IMPACT

This fiscal impact assumes the district will realize savings by increasing the use of the distance learning lab to offer low enrollment, Advanced Placement or other courses and effectively reduce the total number of teachers by .5 of a full-time equivalent position. The average salary in the

district is $36,470, hence one-half of a position equates to $18,235. To be conservative, this fiscal impact also assumes a 10.5 percent benefit rate equaling $1,915 ($18,235 x .105). Savings will not be realized in 2003-04 since teachers are contracted employees. Annual savings from 2004-05 and thereafter will equal $20,150 ($18,235 + $1,915).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Develop an action plan to fully implement distance-learning programs and promote the use of distance learning for students, faculty, administrators and board members.	$0	$20,150	$20,150	$20,150	$20,150

FINDING

MISD's teachers do not have access to the computer lab to supplement their curriculum. The district's computer lab is used most of the day to teach computer classes to students in grades 7 to 12 except for two 45-minute periods occurring from 8 a.m. to 8:45 p.m. and 9:40 a.m. to 10:25 a.m. The district does not offer a method in which teachers can sign up to use the lab during these two available time slots. At present a secondary English teacher and three elementary teachers us the lab occasionally. During interviews, MISD teachers said that the limited availability of computers limits their ability to integrate computers into instruction. MISD's only other computer lab is in the library.

McDade ISD worked with Region 13 to obtain 25 computers on a three-year lease for $100 each. The district's total cost was $2,500. At the end of the lease period, the district negotiated terms allowing it to purchase the computers for $1 each. McDade ISD also purchased two carts that hold 20 computers, allowing teachers to move the carts among classrooms for group projects. McDade uses a schedule to accommodate student and teacher use of the portable carts and their stationary computers.

Recommendation 20:

Establish and implement a computer lab schedule and a portable computer lab.

MISD should develop a schedule for both the computer lab and the library for teachers who want to integrate computer use into instruction. Additionally, the district should purchase a computer cart with 10 laptop computers and include this portable lab in the master computer schedule.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The principal, computer teacher and the library aide develop a schedule for using the computer lab and the library computers for class projects and notify teachers of the availability.	September 2003
2.	Teachers sign up and access the computers, and the principal monitors the schedules making necessary adjustments.	October 2003 and Ongoing
3.	The superintendent instructs the computer teacher and the principal to obtain pricing for the computer cart and the accompanying laptop computers.	October 2003
4.	The principal and computer teacher present the proposed pricing information to the superintendent and board for purchase approval.	November 2003
5.	The superintendent and board approve the purchase, and the principal and computer teacher order the equipment.	December 2003
6.	The computer teacher ensures the portable lab is operational and includes use of the lab on the master computer lab schedule.	January 2004
7.	The computer teacher ensures all teachers are trained in use of the portable lab and monitors its use, providing feedback on its use to the superintendent.	February 2004 and Ongoing

FISCAL IMPACT

This fiscal impact is based upon the district making a one-time purchase of a computer cart and appropriate wiring at a cost of $2,500 and 10 laptop computers priced at $750 each for a total initial investment of $10,000 [$2,500 + (10 x $750) = $10,000].

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Establish and implement a computer lab schedule and a portable computer lab.	($10,000)	$0	$0	$0	$0

Chapter 3
FINANCIAL MANAGEMENT

This chapter reviews the financial management functions of Morgan Independent School District (MISD) in the following sections:

A. Financial Management
B. Purchasing
C. Asset and Risk Management

School districts must practice sound financial management to maximize limited resources and plan for student needs. Effective financial management ensures that internal controls are in place and operating as intended, technology is maximized to increase productivity and that reports are prepared timely and accurately.

The share-the-wealth law, which the Legislature passed in 1993, is designed to maintain funding equity among Texas school districts. The law seeks to equalize education funding by transferring funds from property wealthy school districts to property poor ones. Before the system was installed, some school districts were able to spend thousands of dollars more per year on each student than other districts. Since the law has been passed, property poor districts report that the additional money they receive enables them to hire better teachers and significantly boost student achievement levels. Because of the number of economically disadvantaged students in the district, MISD is one of the recipients of additional state funding.

The Texas Education Agency (TEA) requires districts to manage their financial operations in conformity with the regulations and requirements established by federal and state laws, rules and regulations. TEA's Financial Accountability System Resources Guide (FASRG) outlines accounting and reporting requirements for Texas school districts. Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board guidelines also affect school district's financial management activities.

Effective purchasing processes provide school districts with supplies, materials, equipment and services to operate schools and serve education programs at the most economical prices. School districts have opportunities to cooperatively purchase goods with other jurisdictions when it is mutually beneficial to all parties involved. These purchasing cooperatives can benefit small districts that do not have much money to spend.

Texas school districts have a fiduciary responsibility to protect publicly financed assets provided to educate children. An effective asset and risk management program provides a district with investments that earn maximum interest rates available while safeguarding funds and ensuring liquidity to meet the district's fluctuating cash flow requirements. Effective asset and risk management also controls costs by protecting the district against significant losses with the lowest possible insurance premiums while providing sound and cost-effective health insurance for district employees.

Chapter 3

A. FINANCIAL MANAGEMENT (PART 1)

Public school funding comes from federal, state and local sources. Property tax revenues provide local funding. For 2001-02, public school funding for all entities in Texas amounted to about $34.4 billion. Public school districts' operations funds totaled about $26 billion of this amount. In 2001-02, the average Texas school district generated 53 percent of its funding from local tax and other local and intermediate sources, 43.6 percent from state funds and 3.4 percent from federal sources.

Because school districts rely on property taxes as their local revenue source, property tax revenues vary widely across the state as property values or wealth varies. To offset this local variation, the state provides funding to districts in inverse relation to district wealth: school districts with higher property wealth receive less state funding than low-wealth school districts. **Exhibit 3-1** shows that MISD received the majority of its funding from 1998-99 to 2002-03 from the state. This is the result of the district's low property wealth.

Exhibit 3-1
MISD Total Budgeted Revenues - All Funds
1998-99 through 2002-03

Revenues	1998-99	1999-2000	2000-01	2001-02	2002-03
Local Tax	27.2%	32.7%	32.0%	38.4%	34.7%
Other Local & Intermediate	1.6%	1.8%	1.5%	6.6%	2.2%
State	60.2%	60.1%	62.5%	50.3%	57.5%
Federal	11.0%	5.3%	4.1%	4.6%	5.6%
Total Budgeted Revenues	**$1,308,228**	**$1,243,874**	**$1,378,221**	**$1,303,601**	**$1,562,785**
Enrollment	**159**	**150**	**145**	**153**	**159**

Source: TEA, Academic Excellence Indicator System (AEIS), 1998-99 through 2001-02 and Public Education Information Management System (PEIMS), 2002-03.

Between 1998-99 and 2000-01, MISD reported enrollment figures to TEA that were higher than the district's actual enrollment. This caused TEA to

distribute more money to MISD than it was entitled to in each of those years. MISD used the extra funding to cover cost overruns on their new cafeteria. TEA chose to recapture the entire overpayment amount of $342,254 in fall 2001. TEA calculated that MISD should receive $736,548 in state funding in 2001-02. After TEA subtracted the overpayment, MISD received $394,294 from the state. The district obtained a loan of $175,000 from Meridian State Bank to help cover 2001-02 expenses.

For 2002-03, the district expects $754,759 from the state. As of June 2003, TEA had paid MISD $559,732. The district will receive the remaining payments before September 10, 2003. **Exhibit 3-2** compares MISD's sources of revenue to its selected peer districts and the statewide average. Although MISD receives slightly more state funding than the state average, it almost matches state funding received by two peer districts. One peer district, Megargel, receives less state funds; Penelope ISD receives a much higher percentage of state funding.

Exhibit 3-2
Total Budgeted Revenues Comparison - All Funds
MISD, Peer Districts and the State
2002-03

	Penelope	Megargel	Prairie Lea	McDade	MISD	Cranfills Gap	State
Local and Intermediate	13.7%	45.7%	38.2%	38.0%	**36.9%**	49.3%	**56.2%**
State	82.2%	49.9%	57.4%	59.4%	**57.5%**	50.7%	**40.4%**
Federal	4.1%	4.3%	4.4%	2.6%	**5.6%**	0.0%	**3.5%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: TEA, PEIMS, 2002-03.
Note: Totals may not add to 100 percent due to rounding.

MISD receives local revenue from property taxes. As rural districts, MISD and its peers derive most of their taxable property from land and only a small percentage from taxes on businesses. This is a sharp departure from the state average. **Exhibit 3-3** compares local revenue sources of MISD, its peer districts and the state average for 2001-02. Business and residential properties are more significant sources of revenue to the state average. Taxes on land properties are the largest source of local revenue for MISD and its peer districts.

Exhibit 3-3
Taxable Value by Category
2001-02

Source	Cranfills Gap	Penelope	Megargel	McDade	MISD	Prairie Lea	State
Business	11.4%	11.1%	17.9%	15.0%	**10.7%**	13.2%	**37.9%**
Residential	11.5%	26.6%	15.2%	29.6%	**44.0%**	20.5%	**50.3%**
Land	76.3%	59.6%	50.3%	49.6%	**44.6%**	29.2%	**6.7%**
Oil and Gas	0.0%	0.0%	16.4%	0.0%	**0.0%**	34.4%	**4.0%**
Other	0.8%	2.7%	0.3%	5.8%	**0.7%**	2.8%	**1.0%**

Source: TEA, AEIS, 2001-02.

Federal funds represent the smallest portion of the three major revenue sources for the state's public schools. Federal agencies appropriate most federal funds for specific programs or to provide service to a specific group of students. Federal revenue is received by the district directly from the federal government or distributed by TEA or other state entities for programs such as career and technology education, programs for educationally disadvantaged children (Education Consolidation and Improvement Act, and Elementary and Secondary Education Act), food service programs and other federal programs.

Exhibit 3-4 compares the district's total actual expenditures by function for 1999-2000 through 2001-02 and budgeted expenditures for 2002-03 to the state average. The district's budgeted expenditures for 2002-03 for instruction is 42.1 percent compared to the state average of 50.8 percent.

Exhibit 3-4
MISD and State Total Expenditures by Function
1999-2000 through 2002-03

Function	1999-2000 Actual	2000-01 Actual	2001-02 Actual	2002-03 Budgeted	2002-03 Budgeted Percent of Total	2002-03 State Budgeted	2002-03 State Budgeted Percent of Total
Instruction	$679,496	$660,135	$645,283	$655,520	**45.7%**	$15,258,107,372	50.8%
Instructional-	$10,360	$2,003	$2,488	$3,000	**0.2%**	$815,176,913	2.7%

Related Services							
Instructional Leadership	$0	$0	$0	$0	**0.0%**	$360,073,948	1.2%
School Leadership	$69,779	$75,284	$69,533	$80,635	**5.6%**	$1,588,708,640	5.3%
Support Services-Student	$14,149	$1,950	$1,947	$1,899	**0.1%**	$1,204,538,130	4.0%
Student Transportation	$36,176	$36,676	$26,525	$25,504	**1.8%**	$788,729,993	2.6%
Food Services	$104,393	$84,635	$88,425	$99,116	**6.9%**	$1,470,996,886	4.9%
Co-curricular/ Extracurricular Activities	$33,550	$36,170	$34,870	$36,694	**2.6%**	$682,584,402	2.3%
Central Administration	$134,741	$144,157	$139,875	$150,424	**10.5%**	$1,090,220,713	3.6%
Plant Maintenance and Operations	$86,220	$101,120	$113,463	$128,750	**9.0%**	$2,995,707,896	10.0%
Security and Monitoring Services	$500	$500	$500	$500	**0.0%**	$181,806,687	0.6%
Data Processing Services	$0	$0	$0	$0	**0.0%**	$348,481,432	1.2%
Other (*)	$114,738	$116,550	$65,000	$252,685	**17.6%**	$3,269,293,923	10.9%
Total Expenditures	**$1,284,102**	**$1,259,180**	**$1,187,909**	**$1,434,727**	**100.0%**	**$30,054,426,935**	**100.0%**

Source: TEA, AEIS, 1999-2000 through 2001-02 and PEIMS, 2002-03.
*Includes any operating expenditures not listed above and all non-operational expenditures such as debt service, capital outlay and community and parental involvement services.

Exhibit 3-5 shows key financial data for MISD's general fund on a comparative basis with state and peer districts.

Exhibit 3-5
Comparative Profile of Financial Performance - General Fund
MISD, Peer Districts and State
2001-02

District	Total Revenues per Student	Total Expenditures per Student	Instructional Expenditures per Student	Student to Employee Ratio	Student to Teacher Ratio
Megargel	$11,524	$11,881	$6,992	3.48	6.2
Cranfills Gap	$8,746	$8,541	$5,034	4.21	7.2
MISD	**$8,520**	**$7,764**	**$4,218**	**4.96**	**9.5**
Penelope	$8,467	$8,082	$4,655	5.13	9.4
McDade	$7,915	$7,555	$4,215	5.71	11.3
Prairie Lea	$6,465	$3,159	$226	7.03	13.5
State	**$6,769**	**$6,913**	**$3,611**	**7.40**	**14.7**

Source: TEA, AEIS, 2001-02.

When compared to its peer districts, MISD ranks in the middle in terms of revenue received and expenditures. The district is above the state average in instructional expenditures but among its peer group, only McDade and Prairie Lea spend less then MISD. The district's ratio of students to employees and of students to teachers is low in comparison to the state average and the majority of its peers.

The district's superintendent manages MISD's financial duties. A public accounting firm in Cleburne performs the district's monthly bookkeeping. The superintendent personally approves all purchases and expenditures for the district and makes all deposits of district cash. The accounting firm uses budgetary accounting software sold by John W. Anderson & Associates to perform payroll functions and print operating checks.

FINDING

The district contracts with an accounting firm to provide bookkeeping services to save money. Twice each month, the superintendent compiles all invoices. The superintendent reviews the invoices for accuracy and

then writes the account code to which the expense should be charged on the invoice. The superintendent drives 30 minutes to the Cleburne accounting firm to deliver the bills the district will pay that period. The accounting firm prepares checks to pay the bills and has them ready for the superintendent to pick up in two or three days. After receiving the checks, the superintendent reviews them for accuracy. Since the district requires two signatures on the check, the superintendent and his secretary sign each check. The secretary then mails the checks and files the supporting documentation by month.

The accounting firm issues the district's payroll checks every month. All employees are salaried so no timesheets are required for payroll processing purposes. The superintendent picks up the checks from the accounting firm and distributes them. Because of the district's small size and the limited number of employees, the superintendent's secretary tracks vacation and sick time manually. The accounting firm prepares all payroll reports; the superintendent signs and submits these reports. The accounting firm mails tax deposits to the district's bank for submission to the IRS.

The accounting firm charges the district $850 per month ($10,200 a year) to provide these services. A qualified, full-time bookkeeper could cost the district $24,000 to $36,000 annually.

COMMENDATION

The district saves money by contracting with an accounting firm to perform bookkeeping services.

FINDING

MISD does not have a general fund balance management policy. Cost overruns on the district's new cafeteria in 1998-99 depleted the district's fund balance. School districts establish and maintain fund balances, or reserve balances, to function similarly to a savings account. Fund balances serve as a source of funds in case of an emergency, a source of cash when revenues are low or a place to build up savings to make large purchases not affordable within a single year.

The district intended to pay for the cafeteria without issuing bonds by using a capital-acquisition program loan of $290,000 and $259,000 from the general fund. The cafeteria project cost more than expected because the district added to its construction plans as the project progressed. The district borrowed $300,000 from Bosque County Bank to pay for the additional costs. During this time, the district was receiving more funds from the state than was due as a result of erroneous enrollment

projections. The additional construction costs on the cafeteria project forced the district to use up its fund balance and the excess payments received from the state.

In 2001-02, TEA reduced state funding payments to MISD to compensate for the overpayments of the previous three years. This left the district with a negative fund balance of $150,912. MISD began experiencing severe cash flow problems. The district was forced to take out two loans from Bosque County Bank. **Exhibit 3-6** shows the district's general fund balance from 1998-99 through 2001-02.

Exhibit 3-6
MISD General Fund Balance
1998-99 through 2001-02
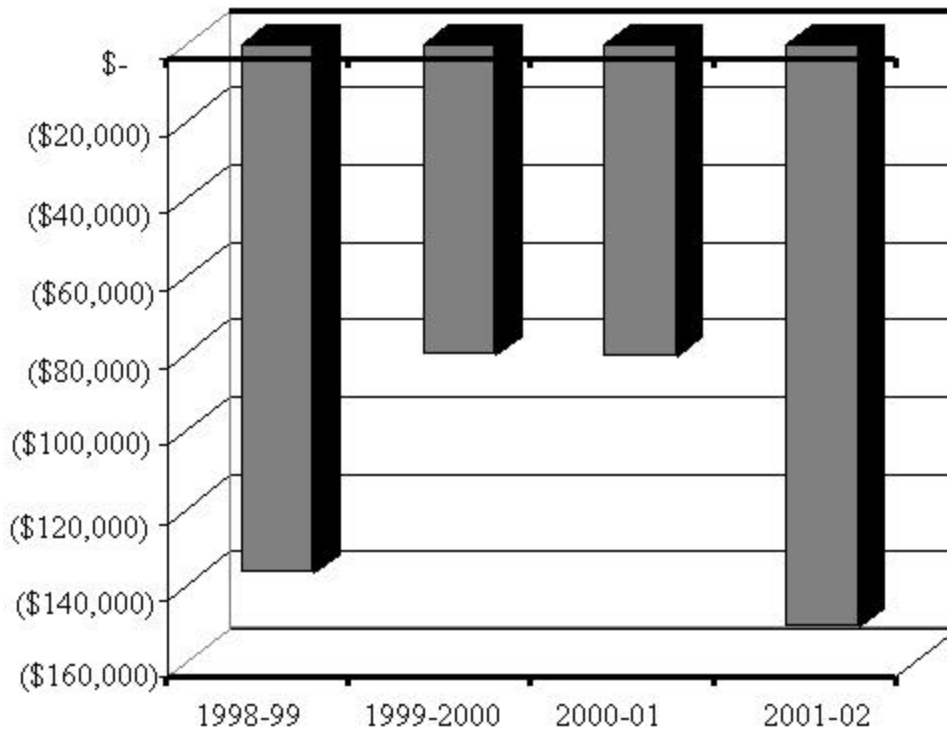
Source: MISD Annual Financial Reports, 1998-99 through 2001-02.

A review of the district policy manual revealed no guidelines or policies defining the district's desired general fund balance or acceptable uses for the fund balance. There are also no policies defining the reports that board members should receive to ensure that the general fund balance is not being used to fund normal district operating expenditures. No monthly reports are provided to the board showing the ending fund balance based on actual receipts and expenditures to date and the annual budget reports

to the board do not discuss what the fund balance will be at the end of the year if the presented budget is approved or if a budgeted capital project is built. If reports had been provided to the board when decisions were made on how to finance the cafeteria project, it might have highlighted that the fund balance would be completely depleted and possibly go negative if any cost overruns were experienced.

TEA's FASRG provides a formula to calculate a district's optimum general fund balance. The FASRG formula suggests that districts maintain a fund balance equal to the estimated amount to cover cash flow deficits in the general fund for the fall in the following fiscal year plus the estimated average monthly cash disbursements of the general fund for the nine months following the fiscal year. Appendix 3 in TEA's Financial Accounting and Reporting module contains the "Optimum Fund Balance Calculation Schedule" and the "Instructions for Completion of Optimum Fund Balance Schedule for the General Fund." The fund balance and cash flow calculation worksheets were prepared by the external auditors as a schedule in the district's 1999-2000 through 2001-02 financial reports. The schedules show that the district's general fund balance is $284,670 below the balance recommended by TEA, as detailed in **Exhibit 3-7**.

Exhibit 3-7
MISD General Fund Balance Compared to TEA's
Proposed Optimum Fund Balance
1999-2000 through 2001-02

	1999-2000	**2000-01**	**2001-02**	**2002-03**
General Fund Deficit	($84,795)	($84,402)	($154,670)	$68,000*
Less: General Fund Optimum Fund Balance Calculation	$110,000	$120,000	$130,000	$130,000
Excess (Deficit) Undesignated Unreserved General Fund Balance	($194,795)	($204,402)	($284,670)	($62,000)

Source: MISD Audited Financial Reports, 1999-2000 through 2001-02.* Superintendent's estimate.

According to the superintendent, the district has already paid off the Bosque County Bank loans. He expects MISD's general fund balance to be a positive $68,000 at the end of 2003 because the money earmarked for loan repayment is now available and because district enrollment increased slightly.

An attorney general's opinion from 1942 indicates that state entities should not have a deficit fund balance. TEA takes the position that school districts should not pay for district operations from a subsequent fiscal year's tax levy. Expenditures may exceed revenues in the general fund during a fiscal year if there is sufficient fund balance to maintain a positive balance in the general fund. TEA expects districts to demonstrate sound discretion in all matters involving financial management.

The 77th Legislature (2001) enacted Senate Bill 218 creating an accountability rating system to measure how well Texas school districts are handling their finances. To comply with this mandate, TEA established the School Financial Integrity Rating System of Texas (School FIRST). In 2002-03, the School FIRST rating system will issue preliminary and final paper reports to each district and the Regional Education Service Center that serves it. When the rating system is fully implemented in

2003-04, each school board will publish an annual report that describes the district's financial management performance.

School FIRST seeks to improve school districts' financial management. The rating system assesses the quality of financial management in Texas public schools and measures the extent to which financial resources are directly used for instruction purposes. When the rating system is in place, school district ratings will be publicly available.

Ratings are based on the numerical scores expressed as the number of "No" answers on 21 indicators. Answering "no" to as few as one or two of the 21 questions could cause a district to receive a low rating. **Exhibit 3-8** explains the School FIRST scoring system.

Exhibit 3-8
School FIRST
Rating Criteria

Rating	Score (Number of "No" Answers)
Superior Achievement	0-2
Above Standard Achievement	3-4
Standard Achievement	5-6
Substandard Achievement	7 points, OR "No" to one of the five critical criteria indicators
Suspended - Data Quality	Serious data quality issues

In addition, failure to meet the criteria for one of three critical indicators, or both of two additional criteria, will result in a Substandard Achievement rating. **Exhibit 3-9** details these five critical indicators.

Exhibit 3-9
School FIRST
Critical Criteria Indicators

Criteria Number	Criteria Description	Result of a "No" answer
1	Was total fund balance less reserved fund balance greater than zero in the general fund?	Automatic Substandard Rating
2	Were there NO disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations?	Automatic Substandard Rating
3	Was the annual financial report filed within one month after the deadline depending on the district's fiscal year end?	Automatic Substandard Rating
4	Was there an unqualified opinion in the annual financial report?	4 AND 5 Automatic Substandard Rating
5	Did the annual financial report NOT disclose any instance(s) of material weakness in internal controls?	4 AND 5 Automatic Substandard Rating

TEA prepared drafts of School FIRST reports using 2000-01 financial data. MISD would have earned a Substandard Achievement rating that year because it answered "no" to Criteria Numbers 1 and 3 of **Exhibit 3-9**. TEA plans to sanction districts that earn a Substandard Achievement rating and impose additional sanctions on districts that have data quality issues. Sanctions could result in TEA assigning a financial monitor or master, or starting an accreditation investigation.

Successful school districts' board members effectively manage a school district's financial resources by having a thorough understanding of the

district's financial condition. These districts require every agenda item for expenditure to contain a fiscal impact analysis. By understanding the impact their decision could have on the financial position of the district, board members can make choices to protect or increase the fund balance.

Recommendation 21:

Establish a policy for management of the general fund balance and provide reports to the board.

This policy should establish goals concerning what the district's optimum general fund balance should be at all times. 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. It should also require that every agenda item for expenditure contain a fiscal impact statement.

The policy should ensure that the board is kept informed about the status of the general fund balance. In every board packet, the superintendent should include a summary of the beginning fund balance, the revenues received during the month, the month's expenditures, ending fund balance and a projection of the year-end fund balance. The board's report 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 remain aware of the district's financial position.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent drafts a general fund balance management policy.	September 2003
2.	The superintendent presents the policy to the board for approval.	November 2003
3.	The board approves the policy and directs the superintendent to implement it.	December 2003
4.	The superintendent or his designee develops the required reports to submit to the board on a monthly basis and ensures fiscal impact statements are added to each agenda item.	January 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

A. FINANCIAL MANAGEMENT (PART 2)

FINDING

Board members do not receive regular financial statements in their board agenda packets.

The Friday before board meetings, the superintendent mails an information packet to the board members. The only financial information that MISD includes in this packet is a list of accounts payable checks that the district issued since the last board meeting. The superintendent brings a budget analysis with him to the board meetings to answer any questions regarding the district's current financial status. This report compares revenues and expenditures to date to the budget. The superintendent explained that board members receive a detailed financial analysis of the district's year-end financial reports.

Balance sheets, income statements, cash flow statements, trends or forecasts are not prepared and provided to the board on a monthly or quarterly basis. The accounting system the district uses does not automatically produce financial statements. However, these reports collectively could assist the board members in understanding the current status of the fund balance.

Financial statements provide management and board members with a summary of financial status and operating results. These statements highlight the financial strengths or weaknesses of the district and the gains or losses arising from its transactions. The organized, consistent and timely issuance of these statements provides some indication of the orderliness of a district's underlying accounting system.

Financial statements form the basis for wise administration in that such documents guide future decisions for both prudent and legal reasons. TEA expects board members and district administrators to carefully review these statements to ensure that they have the appropriate information to make informed decisions as to the district's operations. Accuracy and reliability of financial reports are dependent upon sound internal controls, effective underlying systems and periodic external audits.

Exhibit 3-10 lists possible financial reports and indicates which ones that the MISD board receives.

Exhibit 3-10
Financial Reports Received by the MISD Board

Financial Statement	Provided to the Board?	
	Yes	No
Interim financial statements for each fund: • Comparative balance sheet showing current balances compared with balances in the prior year • Statements comparing actual revenue to date with actual revenue in the prior year • Statements of changes in financial position		X
Year-end financial statements for funds and accounts groups: • Balance sheet • Statement of revenue, expenditures and fund equity • Statement of changes in financial position • Combined financial statements	X	
Analysis of investments: According to the Public Funds Investment Act, at least quarterly, the investment officer should prepare and submit to the governing body a written report of investment transactions for all funds for the preceding reporting period. The district does not currently have any investments but this should be considered when the financial condition of the district improves.		X
List of checks to be paid this month.		X
Enrollment growth and trends in the past five years.		X

Source: MISD superintendent.

School districts that include financial reports in board packets show interim financial reports for each of the budgetary funds (general fund and special revenue funds) using a comparative balance sheet that compares balances of accounts at the balance sheet date with account balances at the end of the prior year. Interim income statements comparing actual results to the budget and the current and projected fund balance are also included.

Recommendation 22:

Generate a complete set of financial statements each month for board members and appropriate administrative staff.

The superintendent should work with the district's accounting firm to develop financial statements that will not only help the board make effective and timely decisions, but also help the board and management better understand the district's fiscal position.

MISD should prepare regular statements that compare actual revenue-to-date with actual revenue in the prior year. A similar statement showing actual revenue, expenditures and encumbrances to budgeted amounts will provide a different view of the information. MISD could also prepare a statement that compares expenditures and encumbrances to-date with appropriations for the current year. An alternative presentation may combine this statement and the previous statement into a statement comparing actual and budgeted revenue and expenditure accounts. MISD should also prepare a statement of changes in financial position for the board and management. This statement shows gross financial resources provided and total school resources applied.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent directs the district's accounting firm to develop appropriate financial reports for the district.	September 2003
2.	The accounting firm prepares monthly financial reports.	November 2003
3.	The superintendent submits the reports to the board each month.	December 2003 and Ongoing

FISCAL IMPACT

The consulting firm that maintains the district's accounting software would charge $100 an hour to program monthly financial reports to print automatically from its system. The owner of the company estimates that it would take less than eight hours to provide the reports. This would create a one-time cost to MISD of $800 (8 hours programming x $100/hour).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Generate a complete set of financial statements each month for board members and appropriate administrative staff.	($800)	$0	$0	$0	$0

Budget process

Budget preparation and administration are important aspects of overall district operations. Providing adequate resources for programs within the restraints of available funding sources presents administrators with significant challenge. Sound budgeting practices benefit the district by:

- Establishing a documented method for budget development, adoption and administration;
- Providing administrative controls for expenditure of funds within approved allocations; and
- Assuring school and community involvement through a "bottom up" budget approach.

Several legal standards exist that control the budgeting process for a school district including the Texas Education Code (TEC) and guidelines developed by the TEA. Sections 44.002 through 44.006 of the TEC establish the legal basis for budget development in school districts. The following six items summarize the legal requirements from the code:

- The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.
- The district budget must be prepared by a date set by the state board of education, presently August 20 (June 19 if the district uses a July 1 fiscal year start date).
- The president of the Board of Trustees must call a public meeting of the Board of Trustees, giving 10 days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP and state guidelines.
- The budget must be legally adopted before the adoption of the tax rate. However, if a school district has a July 1st fiscal year start date, then a school district must not adopt a tax rate until after the district receives the certified appraisal roll for the district required by Section 26.01, Tax Code. In addition, a school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following: (1) The rate proposed in the notice prepared using the estimate; or (2) The district's rollback rate determined by Section 26.08, Tax Code, using the certified appraisal roll.

TEA has developed additional requirements for school district budget preparation. The budget must be adopted by the Board of Trustees, inclusive of amendments, no later than August 31 (June 30 if the district uses a July 1 fiscal year start date). Minutes from district board meetings are used by TEA to record adoption of and amendments to the budget. Budgets for the general fund, the Food Service fund (whether accounted for in the general fund, a special revenue fund or enterprise fund) and the debt service fund, if a district has one, must be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

The officially adopted district budget, as amended, must be filed with TEA through PEIMS by the date prescribed in the annual system guidelines. Revenues, other sources, other uses and fund balances must be reported by fund, object (at the fourth level), fiscal year, and amount. Expenditures must be reported by fund, function, object (at the second level), organization, fiscal year, program intent and amount.

A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, in the total district budget. The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts. The requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.

In addition to state legal requirements, individual school districts may establish their own requirements for its annual budget process. Local fiscal policies may dictate budgetary requirements that go beyond those required by the TEC and TEA.

FINDING

District staff, teachers and the Site-Based Decision-Making (SBDM) committee are not included in the budget process and the district does not prepare a budget calendar. The superintendent starts evaluating the next year's budget needs in April or May of the current year. First, the superintendent compares the current year's expenditures to the current budget and identifies line items or issues that need to be addressed. The superintendent then begins putting in expected revenue from federal, state and local funding. Next the superintendent reviews staff salaries and considers the purchases of needed fixed asset items. The superintendent also reviews supply and maintenance costs to create a reasonable estimate for the next year. If there is more revenue than expenditures, the superintendent considers what additional items should be bought to

enhance the instructional process for the teachers and students. The superintendent also considers what should be done to improve or repair district facilities.

The food service manager and the maintenance manager do not have input into the budget process. If the budget process is started in April or May, this also limits the interaction between the SBDM committee and the ancillary support departments due to end-of-school activities and the summer release.

The district also does not assign personnel to a budget planning committee to assist in developing and analyzing expenditures for the overall benefit of the district. To a large degree, the superintendent is solely responsible for the budget preparation.

Other districts have found that establishing a budget planning committee comprised of key staff, teachers, community members and board members enhances the budget process. These districts reduce misunderstandings because everyone has input into the district's budget. Budget planning committees can also establish long-term budgeting goals for the next few years. Each member of the team is given the opportunity to identify priorities based on the district's overall needs and resources. The budget committee normally creates a budget calendar that is helpful in communicating the budget process to the district.

Recommendation 23:

Establish a Budget Planning Committee and a budget calendar to assist in preparing the budget.

A Budget Planning Committee should be established and meet during the first week of the new school year. The committee should include the superintendent, the school principal, key teachers and staff members and two board members. Preparing a formal budget calendar and providing it to all district employees and community members should be the first step in the annual budget process.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent organizes the Budget Planning Committee.	September 2003
2.	The superintendent prepares a budget calendar with the assistance of the Budget Planning Committee.	October 2003
3.	The superintendent distributes the budget calendar to all personnel involved in the budget process.	December 2003

4.	The Budget Planning Committee compiles the budget based on input from district staff and community members.	February 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not produce a formal budget document. The superintendent provides a budget analysis worksheet to the board to approve the budget. When the superintendent begins working on the budget, the accounting firm prints a budget summary analysis that compares the current year's budget to year-to-date actual expenditures. The analysis has an extra blank column on the right side of the report. The superintendent fills in the blanks with proposed numbers and returns it to the accounting firm. The accounting firm uses these numbers to create a budget summary analysis. The superintendent presents this analysis to the board for approval. If the board revises a budget item before adopting the budget, the superintendent draws a line through it and writes in the new number. The district sends the revised summary back the accounting firm for changes; the accounting firm updates the analysis and returns it to the district.

The budget document does not have an executive summary or overview. It does not have a discussion of district goals, priorities or objectives. The district does not summarize budget numbers to show total revenues, total expenditures or where grant money will hopefully be received to fund specific purchases. In fact, planned purchases are not highlighted in the document.

A school district's budget is most effective when it is useful to both district staff and the community at-large in understanding the district's inner workings. A budget document serves three major purposes: a communications device, a policy document and a financial plan.

The Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA) are two national organizations that promote excellence in the form, content and presentation of budget documents. The following is a list of sample criteria for ASBO-certified budget documents:

- table of contents that identifies major budget sections;
- executive summary that presents an overview of key initiatives and financial priorities;
- background and current information about the district;

- the district's mission and goals;
- organization chart;
- overview of the budget process; and
- graphs and charts to facilitate understanding and illustrate key financial information.

ASBO and GFOA certifies and awards organizations that create exceptional budgets based on their criteria. Districts can use their criteria to improve their budget document's content, format and presentation. School districts have an opportunity to "tell their story" when their budgets communicate what is behind and beyond the numbers.

Recommendation 24:

Prepare a formal budget docume nt including an executive summary and other narrative information to support and explain the district's budget.

Although ASBO and GFOA certification would be an ambitious goal based on the district's size and limited resources, MISD should use the standards of these agencies to gradually enhance its budget document. Each year, the district should add a new feature to its budget document to enhance the document's usefulness.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent reviews other district's budget documents and identifies available information that MISD could include in its budget to make it more informative and useful.	September 2003
2.	The superintendent prepares an outline of a proposed budget document.	December 2003
3.	The superintendent presents the outline to the board for review and approval.	February 2004
4.	The superintendent prepares the budget using the appropriate budget document and submits it to the board for approval.	July 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Tax collections

Assessing and collecting school district property taxes is an important function involving different entities with distinct responsibilities. School districts develop and adopt their tax rate while county appraisal districts appraise the value of property within the district. The tax rate that school districts adopt normally consists of two components: (1) a maintenance and operations component for meeting operating costs and (2) a debt service component to cover the costs of indebtedness. The combined rate is applied to the assessed property value to compute the district's total tax levy.

Property values are important determinates of school funding, not only at the local level, but at the state level as well. There is an inverse relationship between local property wealth and state aid. The greater the property wealth of the district, the greater the amount of revenue raised locally, but the lower the amount of state aid.

The state average's property value per student is $234,607 which is almost identical to MISD's at $237,368 for 2001-02.

FINDING

MISD's current tax collection rates are declining and delinquent tax receivable rates have been increasing over the past three years resulting in lower revenue for the district. MISD contracts with Bosque County Central Appraisal District to perform its tax collection duties. Bosque County allocates its total operating budget to all the entities on whose behalf it collects taxes based on each entity's total tax levy. **Exhibit 3-11** presents MISD's tax and collection rate information from 1999-2000 through 2001-02.

Exhibit 3-11
MISD Taxes and Collection Rates
1999-2000 through 2001-02

Category	1999-2000	2000-01	2001-02
Maintenance and operations tax rate	$1.40	$1.40	$1.42
Interest and sinking fund	N/A	N/A	N/A
Total Tax Rate	**$1.40**	**$1.40**	**$1.42**
Total tax levy including adjustments	$416,568	$471,430	$515,801
Appraised Value	$29,772,056	$33,709,481	$36,414,553
Collection Rate	**96.3%**	**96.7%**	**95.5%**
Overall Delinquency Rate	**6.6%**	**7.1%**	**8.5%**

Exhibit 3-12 shows MISD's tax collection rates compared to its peer districts. The district's tax collection rate is higher than all of its peer districts except for Cranfills Gap. Although the district also has a lower delinquent tax accounts receivable balance than all the peer districts except Cranfills Gap, its overall delinquency rate is increasing.

Exhibit 3-12
Comparison of Delinquent Tax Collection Rates
MISD and Peer Districts
2001-02

Description	Cranfills Gap	McDade	MISD	Penelope
Percent of Fiscal 2001 Taxes Collected as of August 31, 2002	97.5%	92.7%	**95.5%**	89.2%
Delinquent Tax Accounts Receivable as of August 31, 2002	$24,365	$75,255	**$43,887**	$42,189
Fiscal Year 2001 Adjusted Tax Levy	$511,424	$589,579	**$515,081**	$182,613
Delinquent Tax Accounts Receivable as a Percent of Adjusted 2001 Tax Levy	4.76%	12.76%	**8.5%**	23.10%

Source: MISD, Cranfills Gap, McDade and Penelope Annual Financial Reports, 2001-02.
Note: Data for Prairie Lea and Megargel ISD unavailable.

In 1994, the district contracted with a law firm to collect delinquent taxes. According to the superintendent, the law firm only submits progress updates once or twice a year. The Bosque County Tax Assessor Collector reports that three different law firms collect its delinquent taxes.

The district does not have written delinquent tax collection policies or procedures. The district has not conducted a formal review of the contract with the law firm collecting delinquent taxes in almost 10 years. The firm does not provide the district with regularly scheduled updates about progress and problems with collecting delinquent taxes. The district does not have policies that specify the district's position on initiating lawsuits for back taxes or for dealing with the foreclosure and the sale of delinquent properties. The lack of district oversight on the collection

progress contributes to the increasing size of the district's delinquent tax accounts receivables.

A common industry standard and indicator 6 of the School FIRST rating is the tax collection rate. The rate is calculated by dividing total collections (current and delinquent) by the current year tax levy, which can result in a percentage greater than 100 percent. As a standard, the School FIRST indicator requires a tax collection rate greater than 96 percent.

Districts with low delinquent tax receivables have policies and procedures in place to guide the tax assessor collector and the law firm in charge of collecting delinquent taxes. The superintendent or his designee regularly reviews the status of the receivables with the team in charge of collecting the taxes to ensure taxes are collected efficiently and effectively.

Some districts use innovative strategies to actively reduce their amount of delinquent taxes. In Aransas County Independent School District the board voted on a policy where the district takes out an ad in the local paper and publishes the names of businesses and individuals that are delinquent on their taxes to the school district. This particular practice greatly improved the district's collection rate just in its first year of implementation.

Recommendation 25:

Aggressively seek to collect current and delinquent taxes and increase revenues.

Quarterly meetings should be established between the law firm, the tax assessor collector and the superintendent to discuss the progress of delinquent tax collections. The tax collector and a representative from the law firm should present an annual plan of action with goals for the upcoming tax levy to the board.

The district should establish written policies that thoroughly address the district's position on seizing and handling the property of delinquent taxpayers, including those that have been obtained by the district in lawsuit judgments. If the policies call for more aggressive collection practices, the district should seek to minimize their impact on poor and elderly homeowners.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent or his designee prepares written policies and procedures to be used by the tax collector and the law firm in collecting MISD's taxes.	September 2003

2.	The superintendent presents the policies and procedures to the board for approval.	October 2003
3.	The superintendent reviews the approved policies with the tax collector and the law firm responsible for collecting delinquent taxes.	November 2003
4.	The superintendent establishes recurring meetings with the tax collector and the law firm.	January 2004 and Ongoing
5.	The superintendent monitors the collection process and renegotiates collections contracts annually.	January 2004 and Ongoing

FISCAL IMPACT

The district's 2001 tax levy after adjustments was $515,801. MISD collected 95.5 percent of the levy. The district will receive an additional $10,316 ($515,801 x 2 percent = $10,316) annually by increasing its collection rate by even 2 percent, to Cranfills Gap ISD's collection rate of 97.5 percent in 2001-02. One half of that amount or $5,158 ($10,316 x 1/2) should be possible in the first year.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Aggressively seek to collect current and delinquent taxes and increase revenues.	$5,158	$10,316	$10,316	$10,316	$10,316

Chapter 3

B. PURCHASING

The district's purchasing policies require that all purchases valued at $25,000 or more in the aggregate for each 12-month period, except purchases of produce or vehicle fuel, be made by competitive bidding, competitive sealed proposals, requests for proposal, catalog purchases or through interlocal agreements. Board policy further requires that all purchases that cost or aggregate to a cost of $10,000 a year or more have board approval before a transaction can take place.

The superintendent oversees all district purchasing and approves each purchase request. The district's purchasing volume for 2001-02 was $579,504. The majority of the purchases were for computers, utilities, insurance, food for the cafeteria and payments for shared services with other districts and Regional Education Service Center XII (Region 12).

FINDING

MISD does not encumber funds during the purchasing process. An encumbrance provides budgetary control by reserving a portion of an account's budget to cover the outstanding purchase order. When purchase orders are used they are prepared manually by the requisitioner and approved by the superintendent but nothing is entered into the accounting system until the invoice is received from the vendor. Often, purchase orders are not completed until the invoice is received from the vendor. Since the terms of the purchase are often not recorded when the order is placed, there is nothing to compare the invoice to when received to ensure the vendor adhered to the terms established when the purchase was made. Multiple purchase requisitions could be floating around and the requisitioner would have no way of knowing that other requisitions against the same dollars are in process.

Many school districts use purchase orders as the source document to support and create encumbrances in its accounting records. These districts can determine how much of the budget is available for additional purchases by subtracting the encumbrances and expenditures from the budgeted amounts. This prevents the district from inadvertently exceeding its budget.

Recommendation 26:

Prepare purchase orders and encumber funds when purchases are initiated.

The district should require all purchases to be supported by preparing purchase orders each time purchases are made. The purchased orders then should be used to encumber budgeted funds so that the district has an accurate status of budgeted funds in order to base future purchasing decisions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent requires a purchase order to be completed each time an order is placed.	September 2003
2.	The superintendent approves the purchase order and gives a copy of the order to his secretary.	September 2003 and Ongoing
3.	The superintendent's secretary submits the purchase order to the vendor and compiles copies for the superintendent to deliver to the accounting firm.	September 2003 and Ongoing
4.	Personnel at the accounting firm enter the purchase order into the accounting system and encumber the funds.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The district does not always follow board approved purchasing policies. The board has delegated to the superintendent or designeethe authority todetermine the method of purchasingand to make budgeted purchases. The superintendent must seek board approval for any purchase thatcosts or aggregates to a cost of $10,000 or more. For purchases in excess of $10,000, the board policy states that the district should create a list consisting of each vendor that responds to the published notice and any additional vendors the district elects to include. Before the district makes a purchase, it must obtain written or telephone price quotations from at least three vendors on the list.

The district purchased computers in several intervals with the district's Technology Infrastructure Fund (TIF) grant funds at the computer supply store that provides the district with technology support. The district

purchased $51,064 in goods and services from this vendor without competitively bidding the purchase.

Supplies cost total slightly more than $6,000 in 2001-02. The district purchases paper from one supplier and standard office supplies through the Internet from another vendor. The district visits a nearby office supply store when it needs supplies faster than the online vendor can deliver them.

While CISD did publish a notice in the local paper that it was accepting proposals for food and fuel supplies for 2002-03, more vendors could respond to a cooperative.

Regional Education Service Center IV (Region 4) has a purchasing cooperative that MISD could join for free that would allow the district to compare the prices it is receiving on supplies and computers. By using the Region 4 purchasing coop, the district would also comply with the board's purchasing policies. MISD could purchase computers, office equipment and supplies, furniture and other items from the Region 4 purchasing cooperative.

Regional Education Service Center X (Region 10) has a multi region food service purchasing cooperative that the district has not joined. The coop covers Region 10 and 12. The district attempts to competitively bid food purchases but only one vendor responds to the request for proposal. Every summer, the superintendent places an advertisement in the paper for vendors to bid on the district's food purchases. Since the district does not receive any proposals, they continue to use the same food vendors. Food purchases totaled $60,352 during 2001-02. According to the purchasing agent at Region 10, if MISD joined the Region 10 multi region food service purchasing cooperative, the district would receive very competitive pricing due to the number of districts in the area that are a part of the cooperative. The districts that participate in the coop include Cranfills Gap, Meridian, Walnut Springs, Valley Mills and Iredell ISDs.

Board approved purchasing policies state that the district may participate in a cooperative purchasing program or participate in the state vendor list offered by the Texas Building and Procurement Commission. Districts that purchase goods and services by agreement with another local government or with the state or state agency satisfy the requirement to seek competitive bids for the purchase of goods and services.

The law encourages participation in cooperatives to eliminate duplication of efforts, thereby saving taxpayers' dollars. Cooperative purchasing is authorized by Chapter 8, of the TEC. Region 4 and 10's contracts are in complete compliance with all State of Texas statutes, thereby eliminating

the need for participating entities to do formal bidding or quoting. These contracts save taxpayers' dollars but they will also save time and energy.

By participating in local and statewide cooperative purchasing organizations, Del Valle Independent School District (DVISD) saved tax dollars through bulk buying and competitive bidding practices. As of October 2000, DVISD participated in the following purchasing cooperatives: the Regional Education Service Center, the Multi-Regional Purchasing Cooperative, the Regional Education Service Center's Central Texas Purchasing Cooperative and the General Services Commission Purchasing Cooperative. From June 1998 to October 2000, DVISD saved an estimated $250,000 through the purchasing cooperatives.

Recommendation 27:

Use purchasing cooperatives to conform to district purchasing policies while obtaining the best purchasing value.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent or his designee contacts Regions 10 and 12 to obtain information about how to join and use their purchasing cooperatives.	September 2003
2.	The superintendent meets with staff and teachers to explain how to purchase products and services from Regions 10 and 12.	September 2003
3.	The superintendent compares current prices on items such as food and fuel to the prices that the purchasing cooperatives provide.	October 2003 and Ongoing
4.	The superintendent ensures that purchases are made in compliance with district policy by using available purchasing cooperatives.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

C. ASSET AND RISK MANAGEMENT

An effective cash management program can provide a district with additional revenues to fund essential programs and operations. Maximizing the return on invested funds while ensuring the safety and liquidity of investments is a high priority. Effective cash management programs provide competitive rates of return using various investment instruments; are based on a comprehensive written investment policy approved by the board; and allow personnel to become skilled in investment procedures and techniques and to stay abreast of current money markets.

Districts with effective investment programs invest excess cash in accounts or instruments that mature or are available in time to meet their anticipated expenses. The goal is to invest all funds until they are needed to maximize interest earnings.

The superintendent oversees cash management in the district. The district has three bank accounts with its depository bank. **Exhibit 3-13** lists the balances of the account on hand at the bank as of February 28, 2003.

<div align="center">

Exhibit 3-13
MISD Bank Account Balances
February 28, 2003

</div>

Account Description	Balance	Interest Bearing?
General Operating	$302,694	Yes
Agency (Student Activity)	$13,103	Yes
Construction	$3,312	No
Total Cash On Hand	**$319,109**	

Source: MISD Bank Statements, February 28, 2003.

The district renewed its depository-banking contract with Bosque County Bank for the two years beginning September 1, 2001 and ending August 31, 2003.

The bank requires the district to carry a balance in its account of $1,000. In return, all bank services such as wire transfers, stop payments,

telephone transfers, cashier's checks and safekeeping services are free. The bank pledges securities up to $5 million to MISD to adequately protect the district's funds on deposit with the bank.

MISD invests any excess funds at TexPool, an investment pool administered by the Texas Comptroller of Public Accounts. MISD's ending TexPool balance on February 28, 2003 was $11,574.

The district forwards all bank statements to its accounting firm, which reconciles the statements with the check register. The firm then returns the statements to the district for review and filing. The accounting firm also provides cash projections for the next month for the superintendent's use.

Planning for capital asset expenditures and properly controlling the assets after they are acquired are critical to the long-term financial health of any school district. Districts acquire fixed assets by purchase, lease-purchase, construction, tax foreclosures or gifts.

The determination as to whether an expenditure of governmental funds should be classified as an operating expense or recorded in the general fixed asset account group is often difficult. If the unit cost of equipment and/or furniture is $5,000 or more and the useful life criteria is estimated at more than one year, the purchase is considered a general fixed assets.

The preceding guidelines are TEA's maximum capitalization limits. School districts may wish to establish accounting policies with a lower capitalization limit for items recorded as fixed assets. In addition, a school district may wish to maintain accountability for certain fixed assets even if they do not meet the school district's capitalization policy. For example, certain audiovisual or computer equipment may not be capitalized (i.e. not recorded as fixed asset); a listing of such assets and their location may be maintained for control and accountability purposes. In addition to entries involving the general ledger accounts, districts should maintain detailed subsidiary records to maximize the control of fixed assets.

Of paramount importance is the security of the system. Any material change in the customary recording of distribution or disposal of fixed assets is a financial matter that should be decided by the school district's administration. Management must impose discipline throughout the organization to maintain an appropriate level of internal control and to assure that adequate custody of fixed assets.

FINDING

MISD has centralized the management of its student activity funds. The superintendent's secretary collects funds from various approved money-

raising activities such as group or class candy sales. Individuals responsible for collecting activity funds bring cash to the superintendent's secretary's office with a document indicating the amount of funds to be deposited. The secretary then counts the funds again and issues a receipt for the deposit. The secretary also conducts the monthly bank reconciliation for activity funds and issues checks for individual activities upon receipt of requests for goods or services.

Centralized activity fund management allows for tight control over these funds and eliminates the need for the monitoring of activity funds at individual schools. This process reduces the risk of mismanagement and theft.

COMMENDATION

MISD has centralized the management of its student activity funds.

FINDING

The district does not track fixed assets or conduct physical inventories of fixed assets. MISD also does not maintain a detailed inventory of computer equipment and cannot effectively verify its asset records or ensure appropriate use of technology. The district records items that cost more than $5,000 as fixed assets in the general ledger but does not tag its fixed assets and does not make annual physical inventories of the fixed assets as required by GASB 34.

TEA's FASRG requires assets costing $5,000 or more to be recorded as fixed assets and reported in the fixed group of accounts in the annual financial report. Items costing less than $5,000 should be recorded as an operating expense of the appropriate fund under TEA guidelines. These guidelines also allow school districts to establish lower thresholds for control and accountability for equipment costing less than $5,000. For example, computer and audiovisual equipment costing less than $5,000 does not have to be accounted for in the fixed-asset group of accounts. However, some districts maintain lists of such assets for control and accountability.

According to FASRG, certain fixed assets, such as furniture and equipment, should be inventoried on a periodic basis. TEA recommends that districts make annual inventories at the end of the school term. Staff should note any discrepancies between the fixed asset/inventory list and the physical inventory. The district should resolve these discrepancies and write off missing items in accordance with established policy.

Without a detailed inventory listing of fixed assets owned by MISD and by not conducting an annual physical inventory, the district has no assurance that the items are being properly maintained and protected. Also, without reconciling the amounts recorded as fixed assets in the district's general ledger accounts to the actual items under the district's control, there is no guarantee that the annual financial report contains accurate fixed asset information.

Ricardo ISD tags all inventory-including items under $5,000-and records the information in the fixed asset system. The district performs an annual physical inventory of assets. Changes can be made to the database based on the inventory of items on hand.

Recommendation 28:

Develop and maintain a fixed asset management system.

The process must begin by conducting a complete districtwide inventory of fixed assets to ensure that MISD has a comprehensive starting database. All fixed assets must be physically labeled showing that they are the property of MISD and a number for tracking purposes. An inventory listing should be created uses a spreadsheet format and the listing of items valued at $5,000 or more should be reconciled to the value recorded in the district's general ledger. The distinct should then develop procedures that ensure that all fixed assets received are labeled and added to the listing, items that are disposed of are deleted from the inventory listing, annual inventories are conducted and the listing is reconciled to the value recorded in the general ledger.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent develops a process and designates personnel to take a detailed fixed asset inventory.	October 2004
2.	The superintendent designates personnel to input the listing of fixed assets into an automated spreadsheet.	November 2003
3.	The superintendent reconciles the fixed asset listing to the district's general ledger accounts.	December 2003
4.	The superintendent develops a fixed asset procedures manual.	January 2004
5.	The superintendent distributes the procedures manual and trains staff appropriately.	February 2004
6.	The superintendent oversees the annual physical inventory and reconciles the results to the general ledger	May 2004 and Annually Thereafter

	accounts.	

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4
OPERATIONS

This chapter reviews the transportation, facilities and food services operations of Morgan Independent School District (MISD) in the following sections:

A. Transportation
B. Facilities Use and Management
C. Food Service

Efficient, effective school operations and quality student services support a school district's educational mission. Effective districts transport eligible students to and from school and approved extracurricular functions in a timely, safe and efficient manner. For children to learn, districts must maintain their facilities to create an environment conducive to learning.

An effective school food service program provides students with nutritionally balanced, appealing and reasonably priced meals served in a safe, clean and accessible environment. Successful school food service programs achieve customer satisfaction and contain costs while complying with applicable federal, state and local board regulations and policies.

Chapter 4

A. 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 and for co-
curricular and extracurricular activities. In addition, the federal Individuals
with Disabilities Education Act requires school districts to provide
transportation for students with disabilities if they also provide
transportation for the general student population, or if special needs
students require transportation to receive special education services.

MISD owns and operates five school buses to transport 56 regular
education students, as well as the district's special education students, to
and from school as shown in **Exhibit 4-1**. Because 39 of the 56 students
live in hazardous areas, the district transports them to and from school.
MISD runs two regular education bus routes daily and one special route to
deliver students to the special education cooperative school in Meridian.

Exhibit 4-1
Daily Riders on MISD Buses
1997-98 through 2001-02

Year	Total Riders	Percent Change from Previous Year	Percent Change from 1997-98
2001-02	61	29.8%	32.6%
2000-01	47	(38.2%)	2.2%
1999-2000	76	90.0%	65.2%
1998-99	40	(13.0%)	(13.0%)
1997-98	46	N/A	N/A

Source: Texas Education Agency (TEA), School Transportation Route Services Reports,
1997-98 through 2001-02.
N/A-denotes non-applicable.

MISD's transportation expenses have fluctuated between 1997-98 and
2001-02 as shown in **Exhibit 4-2**. Transportation expenditures have
ranged from a low of $30,386 in 2001-02 to a high of $46,755 in 2000-01.
Overall, transportation expenditures have decreased by 25 percent over the

last five years since 1997-98, for a total decrease of $10,142. The district achieved the decrease by reducing debt for new bus purchases to zero. Without capital outlay or debt service expenditures, MISD has reduced its annual transportation expenses paid from local funds by approximately $13,000.

Exhibit 4-2
MISD Transportation Operating Expenditures
1997-98 through 2001-02

Year	Total Transportation Operating Expenditures	Percent Change from Previous Year	Percent Change from 1997-98	Total Allotment from the State	Expenses Paid from Local Funds	Percent of Expenses Paid from Local Funds
2001-02	$30,386	(35.0%)	(25.0%)	$18,357	$12,029	39.6%
2000-01	$46,755	44.6%	15.4%	$18,348	$28,407	60.8%
1999-2000	$32,324	(25.2%)	20.2%	$14,174	$18,150	56.2%
1998-99	$43,230	6.8%	6.8%	$15,205	$28,025	64.8%
1997-98	$40,528	N/A	N/A	$15,593	$24,935	61.5%

Source: TEA, School Transportation Operation Reports, 1997-98 through 2001-02 and School Transportation Route Services Reports, 1997-98 through 2001-02. N/A-denotes non-applicable.

The TEC states that a school district may receive state funding for transporting regular and special program students between home and school and Texas Education Agency (TEA) sets the funding rules. Local funds must pay for transportation costs that are not covered by the state. State funding for regular program transportation is limited to students who live two or more miles from the school they attend, unless students face hazardous walking conditions on the way to school. The state does not pay for summer school transportation or for co-curricular routes between schools during the day. Extracurricular transportation, such as trips to after-school and weekend events, is also not funded by the state. All special education transportation, except for certain field trips, is eligible for state reimbursement. Because special programs, unlike the regular program, are not able to achieve efficiency by clustering students at bus stops.

MISD received a transportation allotment from the state for regular and special education riders, hazardous area service and for the Career and Technology program for a total of $18,357 in 2001-02. The district supplemented this with $12,029 from local funds to pay for all MISD transportation expenditures for 2001-02.MISD decreased reliance of local funds for transportation expenditures from 61.5 percent in 1997-98 to 39.6 percent in 2001-02.

TEA asks schools to account for transportation expenditures with six categories: salaries and benefits, purchased and contracted services, supplies and materials, other operating expenses, debt service and capital outlay for the purchase of new buses. In 2001-02, MISD spent 44 percent on salaries and benefits, 32 percent on purchased and contracted services, 15 percent on supplies and materials and 9 percent on other operating expenses (**Exhibit 4-3**).

Exhibit 4-3
Percent of MISD Transportation Expenditures by Operational Cost Category
1997-98 through 2001-02

Year	Salaries and Benefits	Purchased and Contracted Services	Supplies and Materials	Other Operating Expenses	Debt Service	Capital Outlay
2001-02	44%	32%	15%	9%	0%	0%
2000-01	24%	33%	13%	6%	0%	24%
1999-2000	32%	46%	18%	4%	0%	0%
1998-99	23%	4%	15%	3%	30%	25%
1997-98	24%	5%	14%	3%	35%	19%

Source: TEA, School Transportation Operation Reports, 1997-98 through 2001-02.

The district expended $23,581 in 2001-02 associated with the regular transportation routes which accounts for 77.6 percent of the total transportation budget (**Exhibit 4-4**). This is 12.8 percent more than 2000-01, but 41.8 percent less than 1997-98.

Exhibit 4-4
MISD Regular Transportation Operating Expenditures
1997-98 through 2001-02

Year	Riders	Regular Route Expenditures			Regular Route Mileage		
		Expenditures	Percent Change from Previous Year	Percent Change from 1997-98	Route Mileage	Percent Change from Previous Year	Percent Change from 1997-98
2001-02	56	$23,581	12.8%	(41.8%)	15,788	(0.3%)	(29.5%)
2000-01	42	$20,908	(4.5%)	(48.4%)	15,842	(24.0%)	(29.2%)
1999-2000	76	$21,898	(49.3%)	(46.0%)	20,844	(6.8%)	(6.9%)
1998-99	40	$43,230	6.7%	6.7%	22,360	(0.1%)	(0.1%)
1997-98	46	$40,528	N/A	N/A	22,391	N/A	N/A

Source: TEA, School Transportation Operation Reports, 1997-98 through 2001-02. N/A-denotes non-applicable.

The costs associated with the special education transportation routes have decreased by nearly 35 percent between 1999-2000 and 2001-02 (**Exhibit 4-5**).

Exhibit 4-5
MISD Special Education Transportation Operating Expenses
1999-2000 through 2001-02

Year	Special Education Total Expenses	Percent Change from Previous Year	Percent Change from 1997-98
2001-02	$6,805	(73.7%)	(34.7%)
2000-01	$25,847	147.9%	147.9%
1999-2000	$10,426	N/A	N/A

The number of buses operated by MISD has remained fairly constant since 1997-98, decreasing from six buses to a current count of five buses. One new bus was purchased in 1998-99. **Exhibit 4-6** shows the number of MISD buses from 1997-98 through 2001-02.

Exhibit 4-6
MISD Number of Buses
1997-98 through 2001-02

Year	Number of Regular Buses	Number of Special Education Buses	Total Buses Owned by MISD	Purchased New Bus
200 -02	3	2	5	No
2000-01	4	1	5	No
1999-2000	5	2	7	No
1998-99	6	1	7	Yes
1997-98	5	1	6	No

MISD's cost for each mile traveled for both regular and special education routes has decreased since 1999-2000 because the district no longer has any buses financed. **Exhibit 4-7** shows the district's cost per mile for regular and special education from 1997-98 through 2001-02.

Exhibit 4-7
MISD Cost per Mile
1997-98 through 2001-02

Year	Regular	Percent Change from Previous Year	Special Education	Percent Change from Previous Year
2001-02	$1.10	0.00%	$1.10	(68.9%)
2000-01	$1.10	17.0%	$3.54	(1.9%)
1999-2000	$0.94	(41.9%)	$3.61	100.0%
1998-99	$1.62	6.6%	$0.00	0.0%

| 1997-98 | $1.52 | N/A | $0.00 | N/A |

In 2001-02, MISD buses traveled 27,541 miles, delivering regular education students to and from school (15,788 miles), delivering special education students to the special education co-op (5,856 miles), extra- and co-curricular trips (5,036 miles), field trips (134 miles) and 727 other miles.

In comparison with selected peer districts, only MISD uses its buses to transport special education students to and from school. MISD has the second-fewest riders of all the peer districts for regular routes and the next-to-lowest miles per bus each year (**Exhibit 4-8**).

Exhibit 4-8
Regular and Special Education Programs
MISD and Peer Districts
2001-02

District	Regular Program				Special Education Program			
	Program Riders	Route Buses	Route Miles	Miles per Bus	Program Riders	Route Buses	Route Miles	Miles per Bus
MISD	**56**	**4**	15,788	3,947	*	**1**	**6,198**	**6,198**
Megargel	*	2	5,890	2,954	0	0	0	0
McDade	106	5	36,654	7,331	0	0	0	0
Penelope	88	5	53,780	10,756	0	0	0	0
Prairie Lea	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cranfills Gap	76	N/A	N/A	N/A	*	N/A	N/A	N/A

Compared to the peer districts, MISD has the highest cost per rider and the second-highest cost per mile for regular transportation expenditures (**Exhibit 4-9**).

Exhibit 4-9
Regular Transportation Expenditures
MISD and Peer Districts
2001-02

Comparison	MISD	Megargel	McDade	Penelope	Prairie Lea	Cranfills Gap
Total Expenses	$30,386	$15,101	$65,784	$56,095	N/A	N/A
Cost per Mile	$1.10	$1.01	$1.79	$0.88	N/A	N/A
Number of Riders	56	3	106	88	N/A	76
Cost per Rider	$5,423	$5,034	$621	$637	N/A	N/A

Source: TEA, School Transportation Route Services Reports, 2001-02 and Transportation Operation Reports, 2001-02. N/A indicates not available.

MISD allocates fewer local funds as a percentage of total transportation expenditures than any of the peer districts except Penelope ISD (**Exhibit 4-10**).

Exhibit 4-10
Local Funds Used to Supplement Transportation Expenditures
MISD and Peer Districts
2001-02

Expenditures	MISD	Megargel	McDade	Penelope	Prairie Lea	Cranfills Gap
Total	$30,386	$15,101	$65,784	$56,095	N/A	N/A
State Allocation	$18,357	$3,917	$27,379	$34,930	N/A	$44,716
Funded by Local Funds	$12,029	$11,184	$38,405	$21,165	N/A	N/A
Percent Funded by Local Funds	40%	74%	58%	38%	N/A	N/A

MISD's three daily routes transport in-town students, out-of-town students and special education students. None of the three routes start before 6:30 a.m. or take longer than an hour. **Exhibit 4-11** summarizes the details regarding each route.

Exhibit 4-11
MISD Departures and Arrivals of Daily Bus Routes
2002-03

Bus Route Comparison Criteria	In-Town Bus Route	Out-of-Town Bus Route	Special Education Bus Route
Riders	33	23	*
Driver takes bus home	No	Yes	No
Depart and Return Times	7:00 - 7:30 3:35 - 4:05	6:30 - 7:30 3:35 - 4:35	7:45 - 8:10 8:15 - 9:10 2:30 - 2:45 3:00 - 3:45
Round Trip Duration	30-35 minutes	1 hour	45 minutes
Total Stops	**20**	**10**	*****

Source: MISD superintendent.
*Not identified per FERPA regulations.

For the special education route, the district has one spare wheelchair-equipped, 20-year-old bus with 22,250 miles. The district has another 17-year-old spare bus for the regular education route with 73,266 miles. The remaining three buses are less than 11 years old with less than 30,000 miles (**Exhibit 4-12**).

Exhibit 4-12
MISD Transportation Fleet Age and Mileage

Make	Engine Type	Total Seats	Bus Usage	Year Purchased	Years Old	Current Mileage
Chevy	Gas	12	Spare Special Education	1983	20	22,250
Chevy	Gas	11	Special Education	1999	4	29,997

GMC	Gas	64	Spare Regular	1986	17	73,266
Intl	Gas	59	Regular In-Town	1992	11	22,655
Intl	Diesel	59	Regular Out-of-Town	1996	7	25,655

Source: MISD superintendent.

Exhibit 4-13 shows the organizational structure of MISD's transportation operation. MISD employs two part-time bus drivers.

Exhibit 4-13
Transportation Organization
2002-03
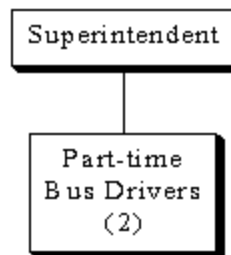
Source: MISD superintendent.

Because of the district's small size, many employees perform multiple duties. All bus drivers are teachers, aides or administrative staff. The district pays its out-of-town route bus driver $450 per month extra and the in-town route bus driver an additional $350 additional each month. The district does not pay staff members who drive extracurricular or co-curricular trips.

FINDING

MISD does not have a formal preventive maintenance plan that tracks when a bus is to be serviced, the service performed and the associated costs of supplies and services provided. The district also does not keep maintenance records on vehicle mileage; fuel consumption and time elapsed since the last recorded service to ensure that normal preventive maintenance is performed on buses.

The superintendent said that the MISD facilities maintenance person performs minor maintenance on the buses whenever time is available. The rest of the time, bus maintenance is contracted out to local vendors. The three route-assigned or regularly used buses are taken to a maintenance vendor in Waco at the beginning of the summer for a full physical inspection with corresponding required maintenance performed. The

district has also used the Texas prison system in the past to refurbish bus exteriors and interiors with good results.

Although MISD keeps receipts in the accounts payable files for parts purchased and service performed, some receipts do not identify the bus on which the service was performed or the parts purchased. The district does not track fuel use by bus to identify when it may require maintenance. In addition, records are not maintained to assess whether the district maybe spending too much on a particular bus for service or fuel.

MISD has one bus that is driven on the out-of-town route over gravel and dirt roads daily adding to the general wear and tear on the bus.

Exhibit 4-14 summarizes the major maintenance and repairs that were performed on each bus in 2001-02. The oldest buses had minimal or no expenditures. Of the three buses used daily, the in-town bus had the highest maintenance expenditures, followed by the special education bus and the out-of-town route bus. There was no indication that preventive maintenance was performed on the two spare buses during the year. The maintenance person serves as the mechanic for the bus fleet.

Exhibit 4-14
Major Maintenance and Repairs Performed on MISD Buses
2001-02

Bus Usage	Year	Age	Mileage at 8-31-2002	Maintenance and Repairs Performed	Expenditure
Spare Special Education	1983	20	22,250	• 4/11/02: Replace fuel pump $164.05 / 22,052 mileage.	$164
Special Education	1999	4	29,997	• 7/18/02: Repair A/C and state inspection $463.54 / 30,096 mileage • 5/22/02: Service A/C $93.07 / 28,345 mileage • 3/8/02: Lubricate, oil change $24.56 / 27,704 mileage • 10/30/01: Lubricate and oil change $24.56	$1,960

				/ 23,764 • 9/25/01: Repair short and tune-up $1,354.63 / no mileage taken	
Spare Regular	1986	17	73,266	• None	$0
Regular In-Town	1992	11	22,655	• 11/9/02: repair transmission $1,943.62 / 22,061 mileage • 6/11/02: Align front end, adjust mirrors, repair flashers, repairs on side $1,373.98 / 22,655 mileage • 6/11/02: Align front-end and state inspection $1,373.98 / mileage • 3/26/02: Repair headlight and replace trim assembly $272.03 / mileage 19,542.	$5,234
Regular Out-of-Town	1996	7	25,655	• 6/24/02: State inspection, full service, repair transmission leak $915.10 / 25,655 mileage	$915

Source: MISD, Accounts-Payable files, 2001-02.

According to the Car Care Council, a properly tuned engine can increase efficiency as much as 11 percent. Proper tire inflation will add approximately another five percent and wheel alignment another one percent. A properly operating thermostat can add up to another seven percent. The result could be a 25 percent increase in efficiency. Monitoring oil change intervals could save money and problems. Every bus has its own characteristics and each bus should be examined to determine appropriate oil change intervals; determining the point when the

oil starts to break down, can alert you to an engine problem. It indicates the presence of physical contaminants such as fuel, carbon, antifreeze, as well as dirt and metal. Oil analysis can help ensure maximum mileage on purchased lubricants. Proper usage and levels of lubricants are very important in a transportation program. Lubricants should meet or exceed manufacturer's specifications since proper lubrication eliminates excessive engine wear that could result in premature engine failure and increased maintenance downtime. Oil levels can be critical in a good maintenance program. High oil levels result in seal damage and waste oil. Low levels result in lack of lubrication, dry seals; wear on metals and hardening of rubber materials and gaskets.

Recommendation 29:

Develop a bus preventive maintenance program.

The district should develop a preventive bus maintenance plan for each bus that takes all variables into consideration. A bus that travels on gravel roads will require more frequent service than a bus that drives on pavement. A diesel bus may have different service intervals than a gasoline bus.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The school secretary requests sample preventive maintenance manuals from other districts.	September 2003
2.	The superintendent reviews the manuals and develops a preventive maintenance schedule including the tasks that must be performed during each interval.	November 2003
3.	The superintendent selects forms to be used to capture fuel usage, maintenance checklists and bus inspection.	December 2003
4.	The superintendent develops maintenance procedures.	December 2003
5.	The superintendent begins to record maintenance performed and fuel consumption for each bus.	January 2004
6.	The superintendent compiles quarterly reports to monitor bus performance.	February 2004 and Quarterly Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD is planning to purchase one new bus to replace two existing buses without financial and statistical justification. During TSPR's interviews with the superintendent, it was stated that it is time to replace the two spare buses with one new bus equipped with a wheelchair lift. The reason given was that it was costing too much to maintain the spares, however, accounts payable records do not reflect excessive costs incurred.

The life of a school bus is generally accepted to be 10 to 15 years of service or 150,000 to 200,000 service miles, whichever is longer. Other factors and the cost of maintenance should also be considered in establishing a district policy on bus replacements. Not all buses operate the same number of miles each year. Some types of use (routes with many stops and many daily student riders) may cause more wear and tear on a bus. Many factors can affect the useful life of a school bus.

MISD management has the following information about each bus: age, mileage, type of bus engine, general condition and any unique circumstances regarding the bus. MISD does not, however, maintain records that show the maintenance cost incurred for each bus for a given time period, the fuel utilization rate and the total cost to operate a bus per mile traveled. These and other factors are critical to consider when determining whether to replace an existing school bus (**Exhibit 4-15**).

Exhibit 4-15
MISD Transportation Fleet Cost to Operate
2002-03

Bus		Routing		Age		Mileage	
Type of Bus Usage	Engine Type	Total Seats	Total Riders	Year and Age of Bus	Suggested Replacement Age	Current Miles	Suggested Replacement Mileage
Special Education	Gas	12	Spare	1983 20	15	22,250	150,000
Special Education	Gas	11	5	1999 4	15	29,997	150,000
Regular	Gas	64	Spare	1986 17	15	73,266	150,000
Regular In-Town	Gas	59	33	1992 11	15	22,655	150,000
Regular	Diesel	59	23	1996	15	25,655	200,000

Out-of-Town				7		

The bus used for the in-town route travels about 5,000 miles per year while the out-of-town bus is driven about 10,000 miles per year. The special education bus is driven nearly 6,000 miles per year. Based entirely on age and mileage, **Exhibit 4-16** analyzes when each of the three primary buses and the spares should be targeted for replacement.

Exhibit 4-16
MISD Transportation Fleet Replacement Assessment
2001-02

Bus Route	Year and Age of Bus	Current Mileage	Miles to Reach 150,000	Approximate Miles Driven Each Year	Number of Years to Reach 15 Years of Age	Number of Years to Reach 150,000 Miles
In-Town Route	1992 11 yrs old	22,655	127,345	5,000	4	4.5
Out-of-Town Route	1996 7 yrs old	25,655	124,345	10,000	8	2.6
Special Education Route	1999 4 yrs old	29.997	120,003	6,000	10	5.0
Spare Regular Route	1986 17 yrs old	73,266	76,734	N/A	0	N/A
Spare Special Education Route	1983 10 yrs old	22,250	127,750	N/A	5	N/A

Comal ISD adopted a vehicle replacement plan designed to replace buses every 11 to 15 years to coincide with the average 10- to 15-year bus life cycle. The plan maintains the necessary fleet size while reducing bus hazards by replacing buses when they reach the end of their lifecycle. The plan also staggers replacement costs. Hamilton ISD (HISD) established a regular bus procurement program, based on a 12-year bus replacement cycle, saving the cost of unnecessary new buses. The 12-year replacement cycle allowed the district to defer another bus purchase for five years.

Recommendation 30:

Develop and adhere to a bus replacement policy.

The district should develop a bus replacement policy that requires an analysis to be performed that takes into consideration the age, mileage and maintenance history for buses to be replaced.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent develops bus replacement policy including mileage, maintenance history, fuel usage history, ridership requirements, overall condition and age.	October 2003
2.	The board approves and adopts the policy.	December 2003
3.	The superintendent follows the criteria when recommending bus replacements.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD buses are not kept clean and are not always operated in a safe manner. Over forty-one percent of surveyed parents do not believe that students are allowed time to sit down before the bus driver resumes driving(**Exhibit 4-17**). Another 36 percent believe buses are not kept clean.

Exhibit 4-17
MISD Transportation Survey Results
March 2003

Survey Questions	Strongly	Neutral	Strongly

	Agree and Agree Response		Disagree or Disagree Response
Bus drivers allow students to sit down before taking off?	25.0%	33.3%	**41.7%**
Buses are clean?	32.0%	32.0%	**36.0%**

Source: TSPR parent survey results.

TSPR observed that buses are only cleaned once per week which results in buses being dirty by mid-week. TSPR also observed one bus starting to move before students had an opportunity to be seated, putting the students at risk. The TEC states in 34.004 that; "A school district may not require or allow a child to stand on a school bus or passenger van that is in motion."

MISD also does not have procedures in place that call for pre- and post-route driver inspections. There is no prescribed procedure for the driver to evaluate the status of the bus before it leaves the district facility to pick up students. Upon return, the driver does not check to see if anything has changed on the bus while it ran its route. Many districts conduct pre- and post-route inspections to determine potential hazards or cleanliness issues.

Recommendation 31:

Conduct safety meetings with bus drivers and require buses to be cleaned twice a week.

The district should conduct safety-training meetings for bus drivers to reinforce the importance of student safety while riding buses. The cleaning of bus interiors should be increased to twice a week to improve the cleanliness of the buses.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent conducts quarterly safety meetings with bus drives.	October 2003 and quarterly
2.	The superintendent writes an article in the district's newsletter responding to parent's concerns about bus safety and cleanliness and how the district is responding to these concerns.	October 2003
3.	The superintendent schedules and instructs maintenance staff to clean the inside of buses twice a week.	November 2003

4.	The superintendent periodically inspects each bus to ensure cleaning is being performed.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4

B. FACILITIES USE AND MANAGEMENT

The physical appearance of the campuses and district properties is often the only basis ordinary citizens have for evaluating education.

While the buildings, land and equipment do not make the school, they have a clear impact on the day-to-day educational process. Recent studies show correlations between school conditions and student performance. In a Department of Education study of school districts in three states, a positive relationship was found between school condition and student achievement and behavior. Another study, conducted by the American Association of School Administrators, found that students who attended schools that were in poor condition scored 5.5 percentage points below students who attended schools that were in fair condition and 11 percentage points below students who attended schools that were in excellent condition. Finally, a study of working conditions in urban schools, conducted by Corcoran, Walker and White, found that physical conditions impact teacher morale, sense of personal safety, feelings of effectiveness in the classroom and the general learning environment.

Safe, clean, well-maintained schools can enhance student achievement, teacher satisfaction, employee morale and community goodwill. Well-maintained schools also give the community confidence that the district uses its tax dollars effectively and could increase support for future development. School districts have begun to realize that strong community relationships are critical to the schools' growth and health.

The original Morgan school building was constructed in 1917. In 1938, the gymnasium was added to the original structure. Additional wings were built in 1956, 1974, 1993 and 1994. The district added a vocational agriculture building in 1993, the sport complex in 1996 and the new cafeteria in 1999. Two portable buildings house the weight room for the sports program and a grade 1 class.

MISD facilities include 45,959 square feet of space, in one building that houses most classrooms, the gymnasium and the cafeteria. A separate vocational/agriculture building comprises a shop, a school storage area, a special education class and the vocational/agriculture class.

MISD provides educational facilities for 159 students. **Exhibit 4-18** shows the student enrollment for 1998-99 through 2002-03.

Exhibit 4-18
MISD Enrollment Growth
1998-99 through 2002-03

Comparison	1998-99	1999-2000	2000-01	2001-02	2002-03
Enrollment	159	150	145	153	159
Enrollment Change from Previous Year	(9)	(9)	(5)	8	6
Percent Change from Previous Year	N/A	(5.6%)	(3.33%)	5.52%	3.9%
Percent Change from 1998-99	N/A	(5.7%)	(8.8%)	(3.8%)	0.0%

Source: TEA, Academic Excellence Indicator System (AEIS), 1998-99 through 2001-02 and Public Education Information Management System (PEIMS), 2002-03.

MISD facilities have an appraised value of more than $2.9 million. **Exhibit 4-19** lists each facility, the age of the facility, square footage, the type of construction and the appraised value.

Exhibit 4-19
MISD Facilities Inventory
2002-03

Facility	Square Feet	Year Built	Construction	Appraised Value
Main Building	12,943	1917	100% masonry	$1,233,384
Gymnasium	6,720	1938	100% frame	$465,068
Main Building Additions: 1-Primary Wing (4 classrooms and nurse's office) 2-Intermediate Wing (4 classrooms and 2 restrooms) 3-High School Wing (6 classrooms and 2 restrooms)	6,682	1974	100% non-combustible	$358,077
Vocational Building	8,580	1993	100% non-combustible	$319,272

Newest Addition: 1-Science lab 2-Restrooms 3-Cafeteria	9,608	1999	100% masonry	$583,561
Portable Weight Room	713			
Portable Grade 1 Classroom	713			
Total	**45,959**			**$2,959,362**

Exhibit 4-20 shows MISD personnel responsible for facilities and custodial functions and their duties.

Exhibit 4-20
MISD Facilities and Custodial Staff Duties

Position	Employee Type	Full/Part-Time Designation	Duties
Maintenance and Custodian	MISD employee	Full-time Employee Allocated 75 percent to facilities maintenance and yard work and 25 percent to bus maintenance.	• General maintenance of facilities and buses. • Maintains all yards that are the equivalent of three city blocks. • Performs general facilities and bus maintenance.
Custodian	MISD employee	Full-time employee Allocated 50 percent to facilities and 50 percent to bus driving	• Cleans Agricultural Building, cafeteria, restrooms and removes trash during the school day.
Custodian	Contract employee	Contracted Allocated full-time to custodial operations	• Works 7 p.m. - 4 a.m., Monday through Friday. • Cleans all buildings except the

			Agricultural Building.

Source: MISD superintendent.

MISD allocates less of its overall budget to plant maintenance and operations than its peer districts, the region and the state average, as shown in **Exhibit 4-21**. MISD's maintenance cost per student falls in the middle of all the peer districts and region and state averages.

Exhibit 4-21
Plant Maintenance and Operations Expenditures
MISD, Peer Districts, Region and State
2001-02

District	Expenditures	Percent of Budget	Enrollment	Cost per Student
Megargel	$74,562	10.5%	60	$1,243
Cranfills Gap	$109,839	10.7%	121	$908
MISD	**$113,463**	**10.1%**	**153**	**$742**
McDade	$171,438	11.2%	225	$762
Prairie Lea	$173,300	22.3%	247	$702
Region	**$100,115,256**	**11.8%**	**136,137**	**$735**
State	**$2,899,134,491**	**11.3%**	**4,146,653**	**$699**

Source: TEA, AEIS, 2001-02.

Expenditures for plant maintenance and operations increased in 2001-02 when the district added 9,608 square feet, increasing the total square feet from 36,351 to 45,959. From 1997-98 through 2002-03, expenditures associated with facilities increased 40.5 percent (**Exhibit 4-22**).

Exhibit 4-22
Plant Maintenance and Operations Expenditures
1997-98 through 2002-03

School Year	Expenditures	Percent of Budget	Percent Change from Previous Year	Percent Change from 1997-98
2002-03	$128,750	9.0%	13.50%	40.5%

2001-02	$113,463	10.1%	12.21%	23.8%
2000-01	$101,120	8.8%	22.99%	10.3%
1999-2000	$82,220	7.4%	(2.93%)	(10.3%)
1998-99	$84,703	7.2%	(7.57%)	(7.6%)
1997-98	$91,636	7.1%	N/A	N/A

Source: TEA, AEIS, 1997-98 through 2001-02 and PEIMS, 2002-03.

A TSPR survey questionnaire was distributed to all MISD parents during March 2003 with 25 parents responding to the survey questions. The majority of the responders gave MISD's facilities maintenance high marks for service as shown in **Exhibit 4-23**.Although the original school was built in 1917, the review team found the school to be well maintained considering it is 86-years-old.

Exhibit 4-23
Parent Survey Results Regarding MISD Facilities
March 2003

Parent Survey Question	Strongly Agree and Agree Responses	No Opinion or No Response	Strongly Disagree and Disagree Responses
Buildings are properly maintained in a timely manner?	68.0%	4.0%	28.0%
Repairs are made in a timely manner?	64%	20.0%	16.0%
Emergency maintenance is handled expeditiously?	40.0%	36.0%	24.0%

Source: TSPR, parent survey results.

FINDING

MISD educational facilities are well maintained, offering an appropriate teaching environment, a conducive learning environment and an appropriate working condition for district employees. The overall appearance and physical condition of MISD facilities are good. Although the main building, built in 1917, has had several additions, it is difficult to determine which is the original building and which wings have been added.

To maintain the facilities, the superintendent and the maintenance person jointly walk the school at the beginning of the summer and visually inspect and evaluate the interior and exterior of all buildings including the roof. All items requiring attention are added to a maintenance list. The maintenance person makes written notes about missing, broken or defective items. The completed list is prioritized and tasks are assigned. During the summer, all floors, including the gym floor, are stripped and waxed; all carpeting is shampooed; and all walls are touched up with paint. This practice results in the district having few, if any deferred maintenance projects.

COMMENDATION

MISD's annual building maintenance process ensures district facilities are well maintained.

FINDING

The MISD playground is not secured, the equipment is not properly maintained and the grounds lack protective surfacing to reduce injuries to students.

MISD Maintenance staff does not routinely perform general maintenance on the playground except for general upkeep such as mowing the grounds and emptying trash receptacles. Checks are not performed for surfacing, general hazards, deterioration of the equipment, security of hardware, drainage and leaded paint.

Pieces of playground equipment at MISD are damaged. The merry-go-round is broken. Metal is sticking out of the tires and metal spikes protrude from landscape timbers presenting hazardous protrusions and clothing entanglements. One parent stated that: "The playground is out-of-date and dangerous." Protruding bolts or sharp edges, as those found in MISD's playground, can pose bodily injury to district students. In a May 30, 2003 meeting, the superintendent told TSPR staff that the merry-go-round was in the process of being repaired.

The MISD playground lacks adequate protective surfacing, particularly around fall zones. In addition, the monkey bars are not only too high for elementary students but are too close to the building permitting students to climb onto the rooftop. The surface under and around playground equipment can be a major factor in determining the injury-causing potential of a fall. The major cause of injury is falling from play equipment on to a hard surface. Although surfaces like grass and sand might seem soft, they are not safe enough. A fall onto a shock-absorbing

surface is less likely to cause a serious injury than a fall onto a hard surface.

The district's grounds and playground are not free of debris. "Teachers stated that gates do not close properly resulting in dogs coming into the playground leaving behind feces resulting in students stepping into it. Two parents commented that: "The fence is constantly being vandalized," and that "The fence is in much need of repair."

A MISD student fell from a swing in 2001-02 and broke both arms. Playground injury is the most common school-related injury among children ages 5 to 14 according to the National Safe Kids Web site. The most common sites of injury are on playgrounds. Falls account for 90 percent of the most severe playground equipment-related injuries and one third of playground-related fatalities. Strangulation, typically occurring when children's clothing becomes tangled or when kids become trapped in equipment, is a serious playground risk. Strangulation accounts for nearly 58 percent of all playground equipment-related risks.

The U.S. Consumer Product Safety Commission's "Handbook for Public Playground Safety" suggests the following:

- ensure that playground surfaces have at least 12 inches of wood chips, mulch, sand or pea gravel, or area mats made of safety-tested rubber or rubber-like materials;
- check that protective surfacing extends at least six feet in all directions from play equipment (For swings, ensure that surfacing extends twice the height of the suspending bar, back and front.);
- check for sharp points or edges in equipment;
- look for tripping hazards, like exposed concrete footings, tree stumps and rocks; and
- check playgrounds regularly to see that equipment and surfacing are in good condition.

Recommendation 32:

Make the necessary repairs to make the playground safe and perform weekly maintenance.

The superintendent should obtain a copy of the Consumer Product Safety Commission's *Handbook for Public Playground Safety* and ensure that all playground equipment located on school district property complies with these safety standards. Once deficiencies, particularly in the playground, are identified, the superintendent should work with the PTO and other community organizations to seek assistance and contributions for needed replacements.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent orders the appropriate material to provide a protective fall zones around gym sets and swings after first going to the PTA and soliciting the community for donations.	September 2003
2.	The superintendent assigns priority work orders to the agriculture shop and the shop teacher to remove and replace faulty tires and landscape timbers, repair the fence and add fall zone surfacing.	September 2003
3.	The agriculture shop students, under the direction of the teacher, remove and replace the faulty tires and landscape timbers.	September 2003
4.	The agriculture shop students, under the direction of the teacher, repair the fence and the gate.	October 2003
5.	The superintendent inspects the playground weekly and ensures maintenance is performed as needed to keep the area safe.	Ongoing

FISCAL IMPACT

Costs for adding protective materials to the playground will be approximately $250 to $500.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Make the necessary repairs to make the playground safe and perform weekly maintenance.	($500)	$0	$0	$0	$0

FINDING

MISD does not apply cleaning standards to restrooms and carpets. Toilets and lavatory rooms are not being cleaned as thoroughly as needed and carpets in classrooms where students sit while performing reading exercises are not vacuumed daily or cleaned annually.

Some teachers said, "Hot water does not work in the elementary or high school wings. The restrooms are rarely clean. Ceiling vents are caked with dust. The maintenance crew does not follow daily or routine checklists to ensure clean restrooms." Other teachers said. "Floors have not been mopped in over a month; nor have carpets been vacuumed, prohibiting the students from sitting on the floor in reading circles. The maintenance crew does not follow daily or routine checklists to ensure clean classrooms." In addition, 40 percent of the parents responding to TSPR surveys agreed or

strongly agreed that MISD schools are not clean. **Exhibit 4-24** presents observations by TSPR staff.

Exhibit 4-24
TSPR Cleanliness Observations
March 2003

Observations
• Restroom trashcans are not emptied nightly. • Toilets not cleaned thoroughly. • Floors not mopped in two days. • Walls were not wiped down. • No hot water in the high school and elementary ladies restrooms.

Source: TSPR observations.

Best practices for restroom cleaning include dusting all flat surfaces; emptying waste containers; replenishing supplies; sweeping or dust-mopping the floor; spot-cleaning walls and partitions; cleaning plumbing fixtures including soap dispenser, washbasin, towel cabinets, urinals, stools, and sanitary can; wet-mopping the floor and replacing burned-out light bulbs. Floor refinishing should occur as needed, complete wall washing should occur annually; painting every three to five years and thoroughly cleaning the room from top to bottom twice annually.

Recommendation 33:

Implement cleaning standards and develop a cleaning schedule to ensure restrooms and classroom carpets are adequately cleaned.

The district should develop cleaning standards that include:

Carpet cleaning

- shaking out rugs in classrooms weekly;
- vacuuming carpets in classrooms nightly; and
- deep-cleaning carpets during holiday breaks and prior to start of the school year.

Restroom cleaning

- establishing a regular schedule for washing the restroom walls;
- wet-moping all restrooms daily;
- machine-scrub restroom floors weekly;

- cleaning toilets nightly;
- scheduling cleaning tasks and make appropriate assignments; and
- conducting random inspections.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent meets with the custodial staff and develops cleaning standards, schedules and assigns responsibilities for each task.	October 2003
2.	The custodial staff implements the schedule and standards.	November 2003
3.	The superintendent randomly inspects all areas of the facility to ensure that custodial staff is complying with cleanliness standards and schedules.	Ongoing
4.	The superintendent asks the Site-Based Decision-Making team to perform inspections on a quarterly basis and report results to the superintendent.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not have a long-range facilities plan or a planning committee that sets priorities for capital improvement projects, determines a funding approach or ties the approach to future enrollment.

A long-range facilities plan compiles information, policies and statistical data about a school district; provides a continuous basis for planning educational facilities to meet the community's changing needs; and offers alternatives in allocating facility resources. The plan should provide for student enrollment growth or decline. The plan should make more effective decisions about the types, amount and quality of new and existing school facilities and the disposition of facilities when enrollment falls.

Board members interviewed said that MISD needs a new gymnasium to accommodate more spectators, an auditorium for students to present plays, three new classrooms, improved shower facilities for athletics, a covered walkway from the main building to the agriculture building and a larger, updated computer lab. Board minutes did not reflect any planning or work sessions to discuss facilities. The superintendent and staff want to add

additional classrooms, but enrollment numbers do not support that need, as shown in **Exhibit 4-25** and **Exhibit 4-26**.

Exhibit 4-25
MISD Elementary Student Classroom Space Assessment
March 2003

Class	2001-02 Enrollment	Room Number	Square Feet	Suggested Industry Minimums	(Space Deficient) or Excess Space
Pre-Kindergarten	9	Room 15	560	345	215
Kindergarten	14	Room 14	560	495	65
Grade 1	9	Room 16	713	345	368
Grade 2	7	Room 12	480	285	195
Grade 3	9	Room 9	672	345	327
Grade 4	13	Room 10	672	465	207
Grade 5	18	Room 7	700	615	85
Grade 6	9	Room 8	672	345	327
Total	**88**	**8 rooms**	**5,029**	**3,240**	**1,789**

Source: MISD superintendent.

MISD has more classroom space per student than the suggested industry minimums. The *Facilities Performance Profile, an Instrument to Evaluate School Facilities* states: "Minimum area recommended for normal classroom functions is 30 square feet per occupant at maximum loading." The *Profile* also recommends 15 square feet for each computer space in a classroom. Using 30 square feet per student and teacher as the minimum, with an extra 45 square feet added for three computer workstations, MISD has 1,789 more square feet dedicated to elementary classesthan industry minimums recommend.

In 2001-02, MISD enrollment breakdown was: grade 7 - eight students; grade 8 - nine students, grade 9 - 17 students; grade 10 - 11 students; and grade 12 - eight students. For 2000-01 and 2001-02, the largest class was

grade 9 with 17 students. Average class size was 10 students. If a minimum of 30 square feet is allowed per student and teacher, per class, and 45 square feet for three computer workstations, MISD middle- and high-school students also have more space than recommended (**Exhibit 4-26**).

Exhibit 4-26
MISD Middle and High School Student Classroom Space Assessment
Based on 2001-02 Enrollment Counts

Class	Average 2001-02 Enrollment by Grade	Class Room	Classroom Sq. Ft.	(Space Deficient) or Excess Space		
				For Low Enrollment	For Average Enrollment	For High Enrollment
Science	Low: 8 Avg.: 10 High: 17	Science	704	315	375	585
Social Studies	Low: 8 Avg.: 10 High: 17	Room 3	448	315	375	585
English	Low: 8 Avg.: 10 High: 17	Room 5	448	315	375	585
Math	Low: 8 Avg.: 10 High: 17	Room 4	456	315	375	585
English/ Spanish/ Reading/ Drama	Low: 8 Avg.: 10 High: 17	Room 2	384	315	375	585
Agriculture	Low: 8 Avg.: 10 High: 17	Room 17	696	315	375	585
Totals			**3,136**	**1,890**	**2,250**	**3,510**

Source: MISD superintendent.

In December 2002, the MISD board decided to purchase an adjacent piece of property. The district purchased the property for $4,777 without evaluating its future use or the impact on the district's budget. **Exhibit 4-27** indicates the steps taken and reported to the board about this property.

Exhibit 4-27
Property Purchase Activity

Board Meeting	Board Discussion
11/19/2002	"Mr. McGehee has spoken with Kay Kingston about the possibility of purchasing property near the school."
12/17/2002	"Purchase of the Kingston property was finalized on 12/13/02. The final cost to the district was $4,777."

Source: MISD, Board Meeting Minutes for November and December 2002.

The district has not studied or analyzed enrollment trends to determine if the student population can be expected to increase or decrease in future years. Although the district enrollment has declined in recent years, it returned to 159 in 2002-03, the same enrollment as 1998-99. As determined from interviews, the district has not reviewed current capacity, deferred maintenance or other renovations to prioritize its needs.

Some school districts use systematic planning to manage their ongoing facility maintenance and construction programs. The Wimberley Independent School District (WISD) board and superintendent initiated a formal facilities planning process in September 1997 with a brainstorming session that established priorities such as adding classroom space. WISD's facilities planning process includes the board, superintendent, assistant superintendent, principals, and some community members. The process used population and demographic trends in the district to identify five-year projections for student enrollments. WISD will use the study data to assist with planning for future facilities needs.

Recommendation 34:

Create a facilities planning committee and develop a long-range facilities master plan.

MISD should establish a facilities planning committee with a rotating volunteer membership consisting of community members, district staff and board members to develop a long-range facilities master plan.

A facilities master plan should identify major repairs, preventive maintenance, renovation and new construction needed for district facilities. The plan should consider external factors such as community needs and enrollment projections, as well as current capacity, financing alternatives, budget alternatives, other available alternatives and current

laws. It should establish a priority for each project, a timeframe for the work and an estimate of the cost of each project.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and the board appoint a planning committee that consists of representatives from the board, community leaders and district staff.	September 2003
2.	The superintendent and the committee prepare a priority list of facilities needs and hold meetings to gather feedback from parents and community members.	October 2003
3.	The committee seeks community input on recommendations and combines the priorities into a recommended five-year plan.	November 2003 - February 2004
4.	The superintendent provides a cost analysis of each proposal and a fiscal plan for the five years.	March - May 2004
5.	The board reviews the plan and makes recommendations before approval.	June 2004
6.	The superintendent reviews and updates the plan annually with cost analysis and recommendations to the board.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD does not collaborate with utility providers, government agencies or industry experts to identify energy efficiencies or savings. MISD has a basic energy efficiency program in which the superintendent encourages turning off lights when not in use and reprogramming thermostats twice a year to turn on at 7 a.m. to reach 71-72 degrees, and to increase the temperature at 4 p.m. to 78 and then to reduce again at 6 p.m. to 81 degrees. MISD does not concentrate its energy management efforts on evaluating whether the district needs to add insulation or replace inefficient equipment.

MISD contracts with Reliant Energy Solutions through the General Land Office for electricity, with TXU for gas service and with the City of Morgan for water and sanitation. The district has no energy management program, and no one monitors utility bills for accuracy. In 2001-02 the district spent $44,180 on utilities and has a square footage of 45,959

square feet. Using these numbers MISD's cost per square foot was $0.96. The industry average cost is about $1.00 per square foot.

The district has not had an energy management audit, such as those performed by the State Energy Conservation Office (SECO), which is part of the Texas State Comptroller's Office. SECO provides free energy management audits to public sector entities like school districts. The audits offer detailed equipment and procedure recommendations to serve as the basis for an energy management plan and to estimate how long it will take to recoup money spent on energy-efficient equipment through lower energy costs.

From 1995-96 through 1997-98, the Mount Pleasant ISD (MPISD) energy management program has achieved an annual average of $178,000 in cost avoidance. MPISD's energy management program educates teachers, students and the community about the importance of turning off devices or lights when not in use. In 1997, MPISD entered into a performance contract with a vendor to install equipment to monitor and control building temperatures, which allowed MPISD to lower its utility costs enough to pay for the new system. The district developed a two-year plan to improve its Heating Ventilation and Air Conditioning (HVAC) system at several schools and used performance contracting to guarantee energy savings on those projects.

Recommendation 35:

Request an energy management audit and create an energy management plan.

The audit should serve as the basis for an energy management plan. Because of the financial situation in MISD, it may be necessary to implement the plan in stages over several years. The plan should include an analysis of cost benefits, consideration of alternatives, an implementation schedule and sources of funding.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent instructs the accounts payable clerk to review each bill to ensure its accuracy.	September 2003
2.	The superintendent schedules an energy management audit with an energy consultant.	January 2004
3.	The energy consultant completes the audit and provides MISD with the recommendations.	August 2004
4.	The superintendent reviews the report and develops a	October

	recommended implementation plan.	2004
5.	The board approves the plan and directs the implementation.	November 2004
6.	The superintendent periodically follows up reports and evaluates efforts to see that established energy usage guidelines are followed.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4

C. FOOD SERVICE

MISD participates in the National School Lunch Program (NSLP) and the School Breakfast Program, which are regulated by the U.S. Department of Agriculture (USDA) and administered by TEA. The MISD board and administration share local responsibility for administration of these programs. As a participant in NSLP and the School Breakfast Program, the food services operations receives federal reimbursement income and donated USDA food commodities for each meal served that meets federal requirements.

To receive federal reimbursement income as a participant in the NSLP, free or reduced-price lunches must be offered to all eligible children. Meals served must meet the Dietary Guidelines for Americans, which recommend that no more than 30 percent of the meal's calories come from fat, with less than 10 percent from saturated fat. School lunches must provide one-third of the required daily intake for protein, Vitamin A, Vitamin C, iron, calcium and calories. School lunches must meet federal nutrition requirements, but decisions about which foods are served and how they are prepared are made by the Food services operations. The USDA works with TEA and the Food services operations to teach and motivate children to make healthy food choices.

The MISD food services operation serves breakfast to 69 percent and lunch to 89 percent of the district's students. The cafeteria has two food service workers that work a combined 16 hours a day and operates on a conventional system with meals prepared "from scratch" every day. No *a la carte* menu items are available, but a salad bar is open every day during lunch to supplement the cafeteria's servings. The district serves breakfast from 7:15 a.m. to 8 a.m. All children eat in the cafeteria for lunch from 11 a.m. to 1 p.m. The cafeteria is four years old and easily accommodates the number of children served during breakfast and lunch. The equipment is maintained by the maintenance supervisor. Breakfast and lunch prices are shown in **Exhibit 4-28**.

Exhibit 4-28
MISD Breakfast and Lunch Prices
March 2003

	Employee	Grade 6-12 Students	Pre-K-Grade 5 Students	Student Reduced
Breakfast	$.75	$.25	$.25	$.20

Lunch	$2.50	$1.50	$1.00	$.30

One cafeteria employee works from 4:30 a.m. to 1:30 p.m., and the other works from 6:30 a.m. to 1:30 p.m. Supervised by the superintendent, the food services operation is governed informally, based on the staff's extensive experience. The head cook has been with MISD for 22 years.

Exhibit 4-29 compares MISD's revenue per student to the peer districts and reveals that the district receives more revenue than all the peer districts.

Exhibit 4-29
Food Services Revenue
MISD and Peer Districts
2000-01

	McDade	Prairie Lea	Cranfills Gap	Penelope	Megargel	MISD
Local	$27,135	$16,738	$16,749	$14,897	$3,105	**$12,205**
State	$1,038	$0	$0	$780	$250	**$792**
Federal	$50,911	$59,327	$28,603	$46,455	$22,519	**$58,719**
Total Revenue	$79,084	$76,065	$45,352	$62,132	$25,874	**$71,716**
Enrollment	234	215	121	163	60	**145**
Revenue per Student	$338	$354	$375	$381	$431	**$495**

FINDING

The MISD food services operation operates at a loss and requires funding from the general fund every year to cover the losses. **Exhibit 4-30** shows the profit and loss statement for the food services operation from 1997-98 through 2002-03.

Exhibit 4-30
MISD Food Services Profit and Loss
1997-98 through 2002-03

	1997-98	1998-99	1999-2000	2000-01	2001-02	Budget 2002-03
Total Revenues	**$68,140**	**$59,454**	**$70,545**	**$76,455**	**$86,582**	**$99,116**
Wages and Benefits	$39,652	$42,404	$48,519	$36,839	$34,371	$38,466
Contracted Maintenance and Repair	$895	$322	$696	$1,372	$1,283	$1,500
Utilities	$0	$0	$0	$0	$3,500	$3,500
Rents and Operating Leases	$0	$540	$540	$0	$939	$1,650
Food	$48,320	$49,667	$42,381	$54,951	$60,574	$50,000
Non-Food	$3,229	$6,462	$2,829	$2,703	$4,364	$2,500
USDA-Donated Commodities	$0	$378	$3,434	$4,739	$5,479	$500
Food Service Supplies	$94	$727	$0	$155	$875	$500
Miscellaneous	$0	$16	$37	$1,002	$0	$500
Total Expenses	**$92,190**	**$100,516**	**$98,436**	**$101,761**	**$111,385**	**$99,116**
Profit (Loss)	**($24,050)**	**($41,062)**	**($27,891)**	**($25,306)**	**($24,803)**	**$0**

Source: TEA, PEIMS, 1997-98 through 2001-02; MISD Annual Financial Report, 2001-02; and MISD operating budget, 2002-03.

For 2002-03, the budget includes $13,000 to be directed from the general fund to the food service fund to cover the shortfall in operations. The superintendent transfers the amount needed at the end of the year to make up the shortfall, which in previous years has been as high as $41,062 in 1998-99. According to the superintendent, MISD budgets to supplement food services operations.

The superintendent expects to receive approximately $3,500 in commodities in 2002-03, but MISD budgeted only $500, the fees that are charged to the district for storing commodities until they are needed. The superintendent has also directed the head cook to watch food expenditures and try to spend less in 2002-03.

The superintendent does not receive reports on food services revenues and expenditures, and no information about food services operation is presented to the board. The superintendent is aware of the cost but does not want to raise prices and discourage students from eating in the cafeteria. Without proper reporting, MISD management and the board cannot analyze how much the food services operation costs the district to help determine necessary changes to reduce costs.

Food Service Management for the 21st Century, Fifth Edition, 1999, recommends that four financial and operating reports be distributed to district management and the board so they can monitor and evaluate the cash flow of the operations and take corrective action if needed:

- **budget:** spells out management's ideals, goals and objectives in financial terms;
- **profit-and-loss statement:** a cumulative report that shows how the operation has been doing financially for a period;
- **balance sheet:** provides a snapshot of how the operation is doing at a specific time, tells what the operation is worth, describes its assets (facilities and equipment) and shows the fund balance; and
- **cash flow statement:** shows the cash inflow and outflow for a period.

Federal regulations limit the school food service net cash resources to an amount that does not exceed three months of average expenditures, except when major equipment purchases are planned. Because federal reimbursement may not be received for three to six weeks after the end of the month, a fund balance may be needed to meet payroll and to pay vendors on a timely basis without needing financial assistance from the district general fund.

By using sound fiscal management, the Bastrop Independent School District (BISD) Food Service department maintains financial accountability. The Food Service manager uses sound fiscal management in decision-making about expense and revenue enhancements. The cafeteria managers are knowledgeable about financial information and have trained additional staff to assist in record keeping. The Food Service manager prepares budgets, studies costs of food and services, accounts for revenue received, prepares a balance sheet and show profit and losses in

reporting statements. The system used allows the Food Service manager and cafeteria managers to monitor expenditures on a scheduled basis.

Recommendation 36:

Provide quarterly reports to the board to increase awareness of the financial status of the food services operation.

The superintendent should prepare quarterly reports for the board showing the financial activity of the food services operation. These reports should allow the board to monitor the district's food services operation and provide members with the information in order to take actions when necessary.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent or his designee conducts an analysis of the food services operation and compiles financial reports.	September 2003
2.	The superintendent presents quarterly financial reports for the board that show the results of the food services operation.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

MISD's food costs exceed industry standards. The high food costs are primarily the result of the district not purchasing its food products from a purchasing cooperative and the lack of standard inventory management practices. MISD does not maintain an inventory of items on hand in the storeroom and does not perform monthly physical inventories of the items on hand. The head cook checks shelves visually to determine how much to order; the district does not have established reorder points to automatically trigger orders.

According to *Food Service Management for the 21st Century, Fifth Edition, 1999,* food costs can be reduced in a number of ways, including:

- obtaining more competitive food prices;
- reducing waste in preparation, on students' plates and from overcooking;
- utilizing leftovers;
- purchasing a less expensive product;

- planning less expensive menus;
- reducing portion sizes;
- utilizing USDA-donated commodities better;
- ordering only what is needed by keeping accurate inventories; and
- checking orders and storing food properly.

Food costs should be kept at or below 40 percent of food services revenue to ensure that payroll and other expenses can be met from revenues. In 2001-02, MISD food costs are 70 percent of revenue (**Exhibit 4-31**).

Exhibit 4-31
Food Costs Compared to Total Revenue
1999-2000 through 2001-02

Year	Food Costs	Total Revenue	Food Costs as Percent of Revenue	Recommended Food Costs at 40 Percent of Revenue	Percentage Variance from Industry Standard	Dollar Variance
1999-2000	$42,381	$70,545	60.1%	$28,218	19.9%	$14,163
2000-01	$54,951	$76,455	71.9%	$30,582	31.9%	$24,369
2001-02	$60,574	$86,582	70.0%	$34,633	30.0%	$25,941

Source: TEA, PEIMS, 1999-2000 through 2001-02.

MISD food costs have increased from $42,381 in 1999-2000 to $60,574 in 2001-02, a 42.9 percent increase. The ratio of food cost to total revenue increased from 60.1 percent in 1999-2000 to 70.0 percent in 2001-02, a 9.9 percentage point increase.

To contain food costs, many districts use less expensive ingredients, maintain effective portion control, reduce plate waste, issue separate contracts for specific food products (when it is cost-effective) and enter into group purchasing cooperatives for commodities. In addition, districts can secure and track their inventories every month.

By participating in the South Texas Cooperative, Riviera Independent School District (RISD) reduced its food costs. RISD, in cooperation with the Regional Education Service Center, participated in an interlocal agreement with the South Texas Cooperative to process meats received through the U.S. Department of Agriculture. The meats, such as

hamburger, turkey and ham, were processed into various portions based upon each district's instructions before being delivered to the district. This agreement reduced the district's overall operating deficit in the food service program.

Recommendation 37:

Reduce food costs to industry standards.

The district should participate in food cooperatives to help reduce the cost to of food. The head cook should keep an inventory count of all items in the storerooms and reconcile the inventory on hand every month. The head cook should track the cost of the foods used on a monthly basis, and increases or decreases should be investigated. Tracking food usage would help the district establish stocking-level reorder quantities, making it easier to order in bulk.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent investigates cooperative purchasing arrangements to decrease food costs.	September 2003
2.	The superintendent works with the head cook to develop comprehensive inventory practices.	October 2003
3.	The superintendent recommends participation in food cooperatives to the board.	November 2003
4.	The superintendent institutes new practices and trains departmental staff accordingly.	November 2003

FISCAL IMPACT

Reducing food costs to industry standards based on 2001-02 activity would provide the district with $25,941 a year in savings ($60,574 MISD cost minus $34,633 industry standard). Savings in 2003-04 of $12,970 is based on 75 percent of annual savings to provide time to implement cooperative purchasing arrangements ($25,941 x 75 percent = $19,456).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Reduce food costs to industry standards.	$19,456	$25,941	$25,941	$25,941	$25,941

FINDING

Teachers are provided free meals in the cafeteria if they agree to supervise mealtime activities, resulting in loss of revenue to the food services operation. According to the superintendent, giving the teachers a free meal provides an incentive for them to eat in the cafeteria where their presence helps to control the students. The teachers eat at a separate table where they have a clear view of the children. The cost to an employee for an adult meal is $2.50.

The review team observed that a large number of the teachers eat in the cafeteria, more than is needed to supervise mealtime activities.

In most school districts, an administrative person is available during the lunch hours to not only take money and count the children eating lunch but also to act as a supervisor.

Recommendation 38:

Require teachers to pay for meals eaten in the cafeteria.

The district should review its practice that allows teachers to eat free meals in the cafeteria. The practice should be revised so that no free meals are provided.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent revises the process of providing free meals to all teachers who eat in the cafeteria.	September 2003
2.	The superintendent prepares a memo to all teachers explaining the change in procedures requiring all personnel including teachers to purchase their lunch.	October 2003

FISCAL IMPACT

There are 16 teachers on staff, however, assuming only 50 percent or eight teachers eat lunch in the cafeteria on a daily basis, the additional revenue to the food services operation would be $3,740 a year (eight teachers multiplied by 187 days multiplied by the price of an adult meal of $2.50).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Require teachers to pay for meals eaten in the cafeteria.	$3,740	$3,740	$3,740	$3,740	$3,740

FINDING

MISD does not collect in advance for student meals. The district tracks meals eaten in the cafeteria and if students are required to pay for their meals, the district prepares bills for meals eaten during the previous month.

The superintendent's secretary is responsible for daily cafeteria counts. She observes meals eaten during breakfast and lunch and records the students who eat. If students are responsible for paying for their breakfast or lunch, she prepares a bill to their parents at the beginning of each month for meals eaten the previous month. The student or their parents bring or mail a payment to pay for the meals.

Keeping track of meals eaten by students that are required to pay for their meals is inefficient and frequently students leave the district without paying for outstanding meal charges.

Most districts require students to pay up front for their meal charges. If the child runs out of money, they can charge one meal and a reminder notice is sent home to the parents to send more money. This process would prevent the district from trying to collect meal charges from students who leave the district.

Recommendation 39:

Require students to pay in advance for meals eaten in the cafeteria.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent directs his secretary to prepare a memo to all parents explaining the procedure change for charging cafeteria meals.	September 2003
2.	The superintendent's secretary sends the memo to each parent.	September 2003
3.	The superintendent instructs the food services operation to require prepayment for all meals served.	September 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Appendix A
PUBLIC FORUM COMMENTS

As part of the review process, the review team held a public forum on March 24, 2003 to obtain input. Members of the public were invited to record comments they have regarding the MISD education system. These comments illustrate 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

- Make and enforce a nepotism policy, for all from top to bottom.
- The money spent on a superintendent at each ISD is a waste of funds. A good superintendent could easily manage all of Bosque County Schools, get a good salary and each school would have extra funds for educating our children.
- Policies and procedures are vague or are not enforced equally.
- A child can be absent here 1-2 days a week and not be failed for poor attendance, "if" they see a doctor. The doctor doesn't have to say that the child is ill, just that he/she was seen. This teaches our children that they are not required or expected to be responsible for their attendance at school - it follows them to the public work place.
- Please do a thorough audit and review of this school. Our children need your help. They won't get any help if you don't.
- There is an active day-to-day interaction with the superintendent. His door is always open to discuss budget, supplies, or anything about management. I feel that the school is run very well, one of the best that I have worked in. Teachers know that for the most part they control what is going on in their rooms. Site-based decision-making is very strong so is the input from the teachers.
- The superintendent is rarely around, and is not aware of most issues. School management needs to be looked at. School board does not involve the community or parents.

EDUCATIONAL SERVICE DELIVERY

- The curriculum for Jr. and High school classes are very well laid out. Student performance is low, I feel mostly due to the students lack of wanting to learn. The teachers here care and push the students whenever possible. Special programs are limited due to the number of students we have. There are very few G/T students and many special education students.

- The school curriculum is in great need of improvement and updating. The 7th grade history textbook is over 10 years old. The majority of the students are at about 70% grade average. A 70 is considered succeeding, but I expect better. TAAS scores are low, because the students are not pushed or inspired to succeed. They cannot pass a test when they are not being taught the basis of what they need to pass TAKS. I have had many problems with the special education program. I have two children in Special Ed. I have four children with ADD and need remedial or content mastery assistance. Content mastery, Title I, remedial or other special assistant programs for Jr. High are not available. They do have a good tutoring program during the lunch hour, when the teachers are in their rooms. If the student is passing, as my husband was told, "they don't need it, or don't worry about it." I expect more. ARD's have not been followed for two of my children, the first part of this year and last year. I had to wait for the ARD to be followed until my child was placed in the Cooperative in Meridian. Earlier this year my child was placed in a three-wall partition, six foot high with his desk in the middle, in a regular classroom without my permission. They held an ARD last spring without notifying me, and I wasn't the only parent that had this problem. I have been told there is not enough Special Ed time available for my child, so they mainstreamed him, he then ended up in a special program at the coop. My 3rd grader has been in need of help all year. Every time I inquire, the teacher would say he doesn't ask for help. A 9 yr. old won't usually ask for help. Gifted and Talented is not available. The Bosque County Cooperative in Meridian has excellent programs. My son is in the BEST program, and since leaving this school he has improved greatly. He has a few problems, but is doing much better. Other than the Cooperative, the Special Education system at this school needs to be completely re-evaluated and restructured. How can one teacher be the special ed teacher for all of elementary, Jr. high and high school and still teach regular classes and help mainstreamed students? Please help this area particularly.
- Algebra I is the highest math a student can get here. If a child actually has college ambitions, the student has to take a minimum of one-year preparatory classes just to apply for college. That is not acceptable.
- They scheduled several of the students the same class twice a day because they say they have nothing else to offer them. That is pathetic.
- There doesn't seem to be any interest in making things any better. Management and board seem to be interested only in payday.
- I highly recommend major improvements in classes or shut this school down.

- Any child participating in sports that makes below a C average is taken off the team until report card or progress reports indicate better grades. This I strongly agree with.
- Morgan ISD needs a lot of improvement in administration, needs a full-time nurse, safer transportation and environment and more academia selections. They need a musical or art program. Like the saying goes, a mind is a terrible thing to waste!!! Helping our kids now, will help society later. I haven't met but a few of the teachers. The teachers all seem concerned about a child's education. I haven't had any problems with any teacher; Morgan ISD is lucky to have (two teachers); both teachers have been excellent with my children. I hope these teachers will stay a part of Morgan ISD because these teachers will help our children with education and guidance.
- Curriculum - there is no homework issued for children in 8th grade. I have no idea what level my daughter is studying. Education Programs - the only studies offered here are for special ed students. No art. No music.
- MISD provides a good education for the students. All teachers try to ensure that all students' needs are met regardless of the student's ability. Students have the education when they leave MISD to be successful regardless if they attend college or go to work.

COMMUNITY INVOLVEMENT

- The attitude of management here is "the less involved the parents are the better". Anytime someone starts to question procedure, discipline, etc. you are immediately labeled a troublemaker.
- I truly rate the efforts in community involvement as extremely poor. Anytime you ask a question, the answer is always related to; "that's how it's always been."
- Thank God your department is finally coming to the aid of our children. Please either greatly improve this place or shut it down so our children can at least have the opportunity to get a real education.
- As a teacher, there is very little involvement. Parents tend to not put a great deal of importance in education. The few conferences I have had this year were based on the fact that they thought their children should pass no matter what kind of work they produce. I have been told by parents not to call them and they don't want to meet for conferences. There seems to be bitter feelings between the school and parents. There is only a hand full of parents that I have seen who really care about their children's education.
- Very low community involvement. School shuns parents' involvement.

- The parents are not very involved in this district. Those that wish to be involved are not welcomed if you don't completely agree with the school's policies. This is a low income, poverty stricken area. Most parents work. The district is not involved in the community very much. The public is not made welcome in the school or at school board meetings. Posting of board meetings were not at the front of the school until this year.
- Community involvement is nil due to the fact that results are nil.
- There is not a lot of parental involvement. Many times conferences have been requested and parents will not attend.

PERSONNEL

- Can't keep good teachers when we are able to get one. Why? Could it be a nepotism problem? Seems as though employees/teachers/instructors are related either to board members, other employees either by blood kin or married into the family or administration.
- Are all our teachers actually certified teachers or are they baby sitters? We need qualified teachers and management - not family reunions.
- Are we paying unqualified people qualified waged?
- I never see advertisements for teachers? Where and when or if - do they actually seek good caring teachers.
- The community is so fed up with this school. No wonder the children have such low expectations of school, management, board, superintendent and principal. The board is elected by only a few people who vote. Nepotism runs rampant here. The principal is unorganized and full of excuses and needs to be replaced. The superintendent is related to board members and teachers.
- There is a high turnover rate of teachers here, for 1st and 2nd year teachers. They did not use subs until recently and even now many times they will pair-up classes rather than to have a sub for each class. There are a few very good teachers in this school, but many more that need to be redeveloped.
- In the past, subs were not obtained for each absent teacher, and teachers had to watch two classes at a time all day. Teachers are not in the classrooms with students at all times.
- Staff development here is of high importance, something I have not seen before. There are very few times that teachers cannot attend seminars and workshops for their classrooms. Salary is state based and therefore proves that the teachers are here because they want to be. There is a high turnover here, but I feel it is due to the student's attitudes and the parent's lack of interest, that would be why I would not return. For the most part the teachers that work

here are very good at what they do with the limited resources and lack of interest.

FACILITIES USE AND MANAGEMENT

- The district site plan is very well detailed. As to improvements, there are changes needed to the building but it very well kept and there is plenty of space. Maintenance and custodial services need to be improved. We have one very hard worker. There is long period when the High School and Jr. High wing rooms go un-cleaned and trash is not taken out. As far as energy use, I try to conserve and other teachers do as well.
- The school is the only building large enough to handle any type of major function in the town of Morgan. I'm only concerned with functions our children participate in, such as Morganfest Talent & Beauty Contest. We were finally allowed to use the cafeteria this year but were told we were not allowed to use the air conditioner. Texas summer heat/no air conditioning - Please!
- The playground is pathetic. The fence is constantly being vandalized and "no one" seems to know by whom. This goes back to how the Sheriff's Department feels about Morgan.
- Custodial services seem to be maintaining the school in a clean manner. However, I do not have any small children who attend here, so I cannot speak for the entire building and grounds.
- The playground's old fence is all torn, and the grass hardly ever is cut. Buses are cleaned by students. Toilets are stopped up a lot.
- The playground is out-of-date and dangerous. The fence is in much need of repair. The building is well kept and clean. The building capacity suits the size of the student body.
- Maintenance of the school is excellent. It is kept clean.
- The custodial personnel work to keep the school clean. If there is a maintenance problem, it is taken care of ASAP.

ASSET AND RISK MANAGEMENT

- I know that the health insurance provided by the school for teachers is very good. I'm not sure about cash and investment practices; I don't over look the budget.

FINANCIAL MANAGEMENT

- I know in the past the school has been in financial trouble, but it doesn't seem to be that bad now. There is a tight budget for teachers but there has always been money when I needed something for my class.

- Area ranches and local camps have donated to the school, but I don't know where their donation went.
- I know that in the past that W4 Ranch has given sizable cash donations to the school.
- I live 10 miles from the school. I pass through two districts to get to this school. I pay high taxes and am forced to send my kids here. I have tried to transfer without luck. I would like to know where the money for books goes.
- Each year the budget is printed in the paper. However, it is not an in-depth informative budget (probably is all that is required.) I feel that a complete outside audit is necessary to truly see where all the funds are going. Appears to possibly be more of the internal buddy system. An external review audit of all funds (taxes and fund raisers) should be carefully checked. These matters would be applicable to Asset & Rick Management, also.
- School taxes are very high here and the school is very well provided for by state and local taxes but it is not reflected in the school.
- A full audit is truly needed. Lots of money being paid out by taxpayers and with fund-raisers. Question is, where and how is the money being spent?

PURCHASING AND WAREHOUSING

- Funding is low so classroom purchases are very minimal. We did get new books for 6th - 12th in the Science field complete with workbooks and CD ROM builders for students and teacher.
- Not enough books and/or not current.
- Do not know much about purchasing, but textbooks are old.
- They need new books. I would like to know where their money goes. I don't see it in curriculum or books.

COMPUTERS AND TECHNOLOGY

- Students do not have enough exposure and access to computers. I'm not even sure if the teachers (instructors) are qualified to teach the students. If our children cannot get the educational training to "make it" in this day of information, their self-esteem and ability to accomplish any goals will suffer greatly. Our children are our future. That would mean that 90 percent or more of the children in the Morgan ISD will aim no higher than the welfare line.
- Computers work sometimes. Teachers are not pushing kids to make better grades.
- Computer systems are OK. I would like to see an updated version of Windows, but they are ok. The computer class is well taught at the basic level. I don't believe there is enough or any upper level

computer training or business training. Students are not prepared for college.

- I think their needs to be more computers or at least a computer lab that the high school and junior high have access to. The programs and software on the existing computers are fine for this size of our school. I would like more instructional technology, screens, projectors and software for science classes due to the size of the science classes (small) and the equipment available (very little.) With more instructional technology there would not be as great of a need for advanced lab equipment, they would be used on the computers.
- We need more advanced computer classes and less free Internet time for our children.
- All students have access to computers and technology. Students are able to take college classes through distant learning.

FOOD SERVICES

- The meals are usually very nutritious meeting all the food group requirements. The cafeteria tries new recipes quite often and the food almost always tastes good. All the students eat in the cafeteria including all the teachers and staff. There is almost always a salad bar and a choice of vegetables. This cafeteria is the best cafeteria I have eaten at in a public school.
- The food is excellent and very nutritious. The cafeteria is very well maintained and properly equipped. The cafeteria personnel are very nice. The quality of the food is great, most is homemade.
- I do not know anything about the food service itself. However, it is my understanding that the children are allowed to have soft drinks and snacks during their classes after lunch. How much attention can the students be paying in class?
- Food is good here.
- Better than McDonalds! They need to put the straws back out! All the food that they give us is healthy! The equipment they use is ok!
- School cafeteria is very satisfactory.
- The kids love the food here and say it is always served warm.
- Food Service is great. A well-balanced meal is provided. The cooks try to prepare food that is nutritious, tastes great and is enjoyed by all.

TRANSPORTATION

- Our buses are in very poor condition: Broken windows, poor running conditions, and never clean. The safety of the children is also of major concern. I have witnessed on more than one occasion the bus driver leaving a child at the usual stop and instead of the

child crossing in front of the bus while traffic is stopped, the bus driver simply pulling away and the child crossing the road (Hwy #174) without any protection (child crossed road from the rear of bus.)

- A bus accident was not reported to local law enforcement or to anyone-not parents either. Oil leaks in buses need to be repaired.
- Buses are not maintained. I know of an accident that was not reported. Bus safety is a joke. There is not much safety. Bus routing and schedule is good, there's only two bus runs.
- Buses need to be better maintained. They are unsafe and dirty (according to my daughter.)

SAFETY AND SECURITY

- Student discipline, well that depends on who you are when you ask that question. There has been an increase in violence in this school. There have been psuedo gangs brought in. My children were attacked at the beginning of the school year. My child was attacked again in January and received a hematoma. The school didn't tell me he was injured. The fight was part due to my child saying mean things to the other child including curse words, and the other child did, too. But the other child resorted to violence by pushing my child's head into concrete several times. My child was punished, the other child was not. After school and before school security is not adequate. There are two exits from the school, besides through the gym that aren't watched. Children are allowed to go from one building to another without any supervision. There have been a few times when 7th graders have been left alone in a separate building for 20 + minutes. We only have a Sheriff's Department, so there is a lack of local authority. Discipline policies need to be looked at. They still use a paddle here.
- Student discipline policies are enforced strictly for the most part. Safety is a thing that I feel has not been much of an issue before this year, but has taken a drastic turn around. I have safety policies for my classroom that every student must agree. The relationship that the school has with the local law enforcement is very good. We have had no problem getting them to come to our campus for whatever reason. I am also impressed with the alternative education program. It is the best I have ever worked with.
- Student discipline policies are vague and or not applied consistently to all students.
- Our local law enforcement just laughs when Morgan ISD is mentioned. They know they are wasting their time here.
- As a parent I do not think that my child is safe at this school and would like something done about it. We have talked to the principal and she said it was not her problem if it left the school

ground. We know if it started at the school where it is her problem and we would love it if she would take responsibility for her students.

- There is no discipline for some threatening or disruptive students.
- We have a big, big problem with the fact that the school does not have a no nit policy for these kids. My daughter has come home with lice four times and nothing has been done. We talked to the principal twice, and she just gave us the runaround about it. That's not good for us. We need something done.
- MISD has an excellent working relationship with local law enforcement. If there is a problem, we contact them and someone is available. Our school is a safe place to be - safety and security has been emphasized to all. Student discipline policies are consistent and fair to all students.
- They do not have a NO NIT policy. Children are allowed in school with bugs crawling all over their head.
- Students have drugs on campus. Teachers are not watching students. Someone was threatening a girl's life. The girl went to the office. Nothing was done. I like the auto locks that were placed on the doors in 2003. Playground is NOT safe.

Appendix B
ADMINISTRATIVE AND SUPPORT STAFF SURVEY RESULTS

Morgan Independent School District Management and Performance
Review
(n=6)
Demographics Data
Note: Totals may not add to 100 percent due to rounding.

1.	Gender (Optional)	Male	Female	No Response
		16.7%	66.7%	16.7%

2.	Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No Response
		83.3%	0.0%	0.0%	0.0%	0.0%	16.7%

3.	How long have you been employed by Morgan ISD?	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
		50.0%	0.0%	16.7%	0.0%	16.7%	16.7%

4.	Are you a(n):	Administrator		Clerical Staffer		Support Staffer	No Answer
		16.7%		16.7%		33.3%	33.3%

5.	How long have you been employed in this capacity by Morgan ISD	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
		50.0%	0.0%	16.7%	0.0%	16.7%	16.7%

A. District Organization and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The school	16.7%	50.0%	16.7%	16.7%	0.0%	0.0%

	Survey Questions						
	board allows sufficient time for public input at meetings.						
2.	School board members listen to the opinions and desires of others.	16.7%	33.3%	16.7%	33.3%	0.0%	0.0%
3.	The superintendent is a respected and effective instructional leader.	50.0%	33.3%	0.0%	16.7%	0.0%	0.0%

B. Educational Service Delivery and Performance Measurement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
4.	The superintendent is a respected and effective business manager.	50.0%	50.%0	0.0%	0.0%	0.0%	0.0%
5.	Central administration is efficient.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
6.	Central administration supports the educational process.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
7.	The morale of central administration staff is good.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
8.	Education is the main priority in our	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%

	school district.						
9.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
10.	The needs of the college-bound student are being met.	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%
11.	The needs of the work-bound student are being met.	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
12.	The district has effective educational programs for the following:						
	a. Reading	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%
	b. Writing	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
	c. Mathematics	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
	d. Science	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
	e. English or Language Arts	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%
	f. Computer Instruction	50.0%	33.3%	16.7%	0.0%	0.0%	0.0%
	g. Social Studies (history or geography)	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
	h. Fine Arts	16.7%	16.7%	16.7%	33.3%	0.0%	16.7%

	i. Physical Education	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
	j. Business Education	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%
	k. Vocational (Career and Technology) Education	16.7%	50.0%	16.7%	0.0%	0.0%	16.7%
	l. Foreign Language	0.0%	66.7%	16.7%	0.0%	0.0%	16.7%
13.	The district has effective special programs for the following:						
	a. Library Service	50.0%	16.7%	0.0%	33.3%	0.0%	0.0%
	b. Honors/Gifted and Talented Education	16.7%	83.3%	0.0%	0.0%	0.0%	0.0%
	c. Special Education	33.3%	50.0%	0.0%	16.7%	0.0%	0.0%
	d. Head Start and Even Start programs	0.0%	33.3%	50.0%	16.7%	0.0%	0.0%
	e. Dyslexia program	0.0%	83.3%	16.7%	0.0%	0.0%	0.0%
	f. Student mentoring program	0.0%	50.0%	33.3%	16.7%	0.0%	0.0%
	g. Advanced placement program	0.0%	66.7%	16.7%	16.7%	0.0%	0.0%
	h. Literacy program	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
	i. Programs for students at risk of	16.7%	16.7%	50.0%	0.0%	0.0%	16.7%

	dropping out of school						
	j. Summer school programs	0.0%	16.7%	50.0%	16.7%	16.7%	0.0%
	k. Alternative education programs	50.0%	16.7%	33.3%	0.0%	0.0%	0.0%
	l. English as a Second Language program	16.7%	50.0%	16.7%	0.0%	16.7%	0.0%
	m. Career counseling program	33.3%	33.3%	16.7%	16.7%	0.0%	0.0%
	n. College counseling program	33.3%	33.3%	16.7%	16.7%	0.0%	0.0%
	o. Counseling the parents of students	16.7%	16.7%	33.3%	33.3%	0.0%	0.0%
	p. Dropout prevention program	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%
14.	Parents are immediately notified if a child is absent from school.	0.0%	16.7%	33.3%	16.7%	33.3%	0.0%
15.	Teacher turnover is low.	16.7%	83.3%	0.0%	0.0%	0.0%	0.0%
16.	Highly qualified teachers fill job openings.	16.7%	83.3%	0.0%	0.0%	0.0%	0.0%
17.	Teacher openings are filled quickly.	16.7%	83.3%	0.0%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
18.	Teachers are rewarded for superior performance.	0.0%	16.7%	33.3%	50.0%	0.0%	0.0%
19.	Teachers are counseled about less than satisfactory performance.	0.0%	33.3%	50.0%	16.7%	0.0%	0.0%
20.	All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
21.	The student-teacher ratio is reasonable.	66.7%	16.7%	16.7%	0.0%	0.0%	0.0%
22.	Students have access, when needed, to a school nurse.	16.7%	66.7%	0.0%	16.7%	0.0%	0.0%
23.	Classrooms are seldom left unattended.	50.0%	50.0%	0.0%	0.0%	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	16.7%	50.0%	33.3%	16.7%	0.0%	0.0%

	job market.					
25.	The district has a good and timely program for orienting new employees.	0.0%	50.0%	33.3%	16.7%	0.0%	0.0%
26.	Temporary workers are rarely used.	0.0%	83.3%	16.7%	0.0%	0.0%	0.0%
27.	The district successfully projects future staffing needs.	16.7%	50.0%	16.7%	16.7%	0.0%	0.0%
28.	The district has an effective employee recruitment program.	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%
29.	The district operates an effective staff development program.	0.0%	66.7%	33.3%	0.0%	0.0%	0.0%
30.	District employees receive annual personnel evaluations.	0.0%	66.7%	33.3%	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%	16.7%	66.7%	16.7%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
32.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0.0%	16.7%	66.7%	16.7%	0.0%	0.0%
33.	Employees who perform below the standard of expectation are counseled appropriately and timely.	0.0%	16.7%	50.0%	33.3%	0.0%	0.0%
34.	The district has a fair and timely grievance process.	16.7%	16.7%	66.7%	0.0%	0.0%	0.0%
35.	The district's health insurance package meets my needs.	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%

D. Community Involvement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
36.	The district regularly communicates with parents.	33.3%	50.0%	16.7%	0.0%	0.0%	0.0%
37.	The local television and radio stations regularly	0.0%	16.7%	50.0%	0.0%	16.7%	16.7%

		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	report school news and menus.						
38.	Schools have plenty of volunteers to help student and school programs.	0.0%	16.7%	33.3%	16.7%	33.3%	0.0%
39.	District facilities are open for community use.	0.0%	83.3%	0.0%	0.0%	16.7%	0.0%

E. Facilities Use And Management

	Survey Questions	**Strongly Agree**	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**	**No Response**
40.	Parents, citizens, students, faculty, staff and the board provide input into facility planning.	0.0%	83.3%	0.0%	16.7%	0.0%	0.0%
41.	The architect and construction managers are selected objectively and impersonally.	0.0%	16.7%	66.7%	0.0%	0.0%	16.7%
42.	Schools are clean.	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
43.	Buildings are properly maintained in a timely manner.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
44.	Repairs are made in a timely manner.	33.3%	50.0%	0.0%	16.7%	0.0%	0.0%
45.	Emergency maintenance is handled promptly.	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
46.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	16.7%	50.0%	16.7%	16.7%	16.7%	0.0%
47.	Campus administrators are well trained in fiscal management techniques.	0.0%	66.7%	16.7%	16.7%	0.0%	0.0%
48.	The district's financial reports are easy to understand and read.	16.7%	33.3%	50.0%	0.0%	0.0%	0.0%
49.	Financial reports are made available to community members when asked.	16.7%	50.0%	33.3%	0.0%	0.0%	0.0%

F. Purchasing and Warehousing

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
50.	Purchasing gets me what I need when I	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	need it.						
51.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	16.7%	50.0%	33.3%	0.0%	0.0%	0.0%
52.	Purchasing processes are not cumbersome for the requestor.	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%
53.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	0.0%	50.0%	33.3%	0.0%	0.0%	16.7%
54.	Students are issued textbooks in a timely manner.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
55.	Textbooks are in good shape.	16.7%	83.3%	0.0%	0.0%	0.0%	0.0%
56.	The school library meets students' needs for books and other resources for students.	33.3%	50.0%	0.0%	0.0%	16.7%	0.0%

G. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
57.	Gangs are not a problem in	50.0%	33.3%	16.7%	0.0%	0.0%	0.0%

		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	this district.						
58.	Drugs are not a problem in this district.	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%
59.	Vandalism is not a problem in this district.	16.7%	33.3%	33.3%	16.7%	0.0%	0.0%
60.	Security personnel have a good working relationship with principals and teachers.	0.0%	16.7%	66.7%	0.0%	0.0%	16.7%
61.	Security personnel are respected and liked by the students they serve.	0.0%	16.7%	66.7%	0.0%	0.0%	16.7%
62.	A good working arrangement exists between the local law enforcement and the district.	33.3%	33.3%	33.3%	0.0%	0.0%	0.0%
63.	Students receive fair and equitable discipline for misconduct.	16.7%	50.0%	33.3%	0.0%	0.0%	0.0%

H. Computers and Technology

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
64.	Students regularly use computers.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%

65.	Students have regular access to computer equipment and software in the classroom.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
66.	Teachers know how to use computers in the classroom.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
67.	Computers are new enough to be useful for student instruction.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
68.	The district meets students' needs in computer fundamentals.	33.3%	50.0%	0.0%	16.7%	0.0%	0.0%
69.	The district meets students' needs in advanced computer skills.	16.7%	66.7%	0.0%	16.7%	0.0%	0.0%
70.	Teachers and students have easy access to the Internet.	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%

The narrative comments below reflect the perceptions and opinions of the district administrative and support staff survey respondents and do not reflect the findings or opinion of the Comptroller or the review team.

- Morgan ISD is a very nice environment. There are some issues regarding the library. Administrators are great. Students are happy. Teacher and student relationships are positive. I feel the library should be kept open at all times. I feel the school board is not always fair in their decisions. Sometimes they form the wrong opinion from hearsay.

- This is a wonderful place to work. Students have excellent teachers, some go beyond what is necessary to prepare students for the next grade.
- I have concerns about the board. They want to micromanage everything. For example, they instructed the principal to make all teachers lock their classroom doors even though they were told that it would interfere with the learning process in the elementary school. They also make judgments about people based on personal feelings rather than on the recommendations of the administration. Another example of this is that two board members get angry with the coach because their son and grandson does not play during the whole game. Also, the board members do not believe in the chain of command. If they have a problem they go directly to either the principal or the superintendent. They do not tell the citizen or feel like they themselves have to first discuss something with teachers.

Appendix C
TEACHER SURVEY RESULTS

Morgan Independent School District Management and Performance Review
(n=5)
Demographics Data
Note: Totals may not add to 100 percent due to rounding.

1.	Gender (Optional)	Male	Female	No Response
		60.0%	20.0%	20.0%

2.	Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No Response
		40.0%	40.0%	0.0%	0.0%	0.0%	20.0%

3.	How long have you been employed by Morgan ISD?					
	1-5 years	6-10 years	11 -15 years	16-20 years	20+ years	No Response
	80.0%	20.0%	0.0%	0.0%	0.0%	0.0%

4.	What grades are taught in your school?				
	Pre-Kindergarten	Kindergarten	First	Second	Third
	20.0%	40.0%	20.0%	20.0%	20.0%
	Fourth	Fifth	Sixth	Seventh	Eighth
	20.0%	20.0%	40.0%	60.0%	60.0%
	Ninth	Tenth	Eleventh	Twelfth	
	60.0%	60.0%	60.0%	60.0%	

A. District Organization and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The school board allows sufficient time	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%

	for public input at meetings.						
2.	School board members listen to the opinions and desires of others.	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
3.	School board members work well with the superintendent.	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
4.	The school board has a good image in the community.	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
5.	The superintendent is a respected and effective instructional leader.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
6.	The superintendent is a respected and effective business manager.	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
7.	Central administration is efficient.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
8.	Central administration supports the educational process.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
9.	The moral of central administration staff is good.	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%

B. Educational Service Delivery and Performance Measurement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
10.	Education is the main priority in our school district.	60.0%	40.0%	0.0%	0.0%	0.0%	0.0%
11.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	60.0%	40.0%	0.0%	0.0%	0.0%	0.0%
12.	The needs of the college-bound student are being met.	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
13.	The needs of the work-bound student are being met.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
14.	The district provides curriculum guides for all grades and subjects.	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
15.	The curriculum guides are appropriately aligned and coordinated.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
16.	The district's curriculum guides clearly outline what to teach and how	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%

	to teach it.					
17.	The district has effective educational programs for the following:					
	a. Reading	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	b. Writing	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	c. Mathematics	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	d. Science	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	e. English or Language Arts	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	f. Computer Instruction	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	g. Social Studies (history or geography)	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
	h. Fine Arts	0.0%	40.0%	40.0%	20.0%	0.0%	0.0%
	i. Physical Education	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	j. Business Education	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
	k. Vocational (Career and Technology) Education	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
	l. Foreign Language	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
18.	The district has effective special programs for the following:					
	a. Library Service	0.0%	80.0%	0.0%	20.0%	0.0%	0.0%

b. Honors/Gifted and Talented Education	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
c. Special Education	0.0%	80.0%	0.0%	20.0%	0.0%	0.0%
d. Head Start and Even Start programs	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
e. Dyslexia program	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
f. Student mentoring program	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
g. Advanced placement program	0.0%	40.0%	40.0%	20.0%	0.0%	0.0%
h. Literacy program	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
i. Programs for students at risk of dropping out of school	20.0%	20.0%	60.0%	0.0%	0.0%	0.0%
j. Summer school programs	0.0%	0.0%	80.0%	20.0%	0.0%	0.0%
k. Alternative education programs	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
l. "English as a Second Language" program	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
m. Career counseling program	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
n. College counseling program	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%

	o. Counseling the parents of students	0.0%	0.0%	80.0%	20.0%	0.0%	0.0%
	p. Drop out prevention program	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
19.	Parents are immediately notified if a child is absent from school.	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
20.	Teacher turnover is low.	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
21.	Highly qualified teachers fill job openings.	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
22.	Teacher openings are filled quickly.	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
23.	Teachers are rewarded for superior performance.	0.0%	40.0%	40.0%	20.0%	0.0%	0.0%
24.	Teachers are counseled about less-than-satisfactory performance.	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
25.	Teachers are knowledgeable in the subject areas they teach.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
26.	All schools have equal access to educational materials such	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%

	as computers, television monitors, science labs and art classes.						
27.	The students-to-teacher ratio is reasonable.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
28.	Classrooms are seldom left unattended.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%

C. Personnel Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
29.	District salaries are competitive with similar positions in the job market.	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
30.	The district has a good and timely program for orienting new employees.	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
31.	Temporary workers are rarely used.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
32.	The district successfully projects future staffing needs.	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
33.	The district has an	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%

	effective employee recruitment program.						
34.	The district operates an effective staff development program.	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
35.	District employees receive annual personnel evaluations.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
36.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
37.	Employees who perform below the standard of expectation are counseled appropriately and timely.	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
38.	The district has a fair and timely grievance process.	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
39.	The district's health insurance	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	package meets my needs.						

D. Community Involvement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
40.	The district regularly communicates with parents.	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
41.	The local television and radio stations regularly report school news and menus.	0.0%	0.0%	80.0%	20.0%	0.0%	0.0%
42.	Schools have plenty of volunteers to help student and school programs.	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
43.	District facilities are open for community use.	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%

E. Facilities Use and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
44.	The district plans facilities far enough in the future to support enrollment	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	growth.						
45.	Parents, citizens, students, faculty, staff and the board provide input into facility planning.	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
46.	The architect and construction managers are selected objectively and impersonally.	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
47.	The quality of new construction is excellent.	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
48.	Schools are clean.	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
49.	Buildings are properly maintained in a timely manner.	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
50.	Repairs are made in a timely manner.	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
51.	Emergency maintenance is handled promptly.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%

F. Financial Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
52.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
53.	Campus administrators are well trained in fiscal management techniques.	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%
54.	Financial reports are allocated fairly and equitably at my school.	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%

G. Purchasing and Warehousing

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
55.	Purchasing gets me what I need when I need it.	20.0%	40.0%	20.0%	20.0%	0.0%	0.0%
56.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%
57.	Purchasing processes are not cumbersome for the requestor.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%

	Survey Questions						
58.	Vendors are selected competitively.	0.0%	40.0%	60.0%	0.0%	0.0%	0.0%
59.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
60.	Students are issued textbooks in a timely manner.	60.0%	40.0%	0.0%	0.0%	0.0%	0.0%
61.	Textbooks are in good shape.	80.0%	20.0%	0.0%	0.0%	0.0%	0.0%

H. Food Services

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
62.	The school library meets students' needs for books and other resources.	60.0%	20.0%	0.0%	20.0%	0.0%	0.0%
63.	The cafeteria's food looks and tastes good.	60.0%	40.0%	0.0%	0.0%	0.0%	0.0%
64.	Food is served warm.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
65.	Students eat lunch at the appropriate time of day.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
66.	Students wait in food lines no longer than 10 minutes	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
67.	Discipline and order are maintained in the school cafeteria.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
68.	Cafeteria staff is helpful and friendly.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
69.	Cafeteria facilities are sanitary and neat.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%

I. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
70.	School disturbances are infrequent.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
71.	Gangs are not a problem in this district.	40.0%	40.0%	20.0%	0.0%	0.0%	0.0%
72.	Drugs are not a problem in this district.	20.0%	20.0%	40.0%	20.0%	0.0%	0.0%
73.	Vandalism is not a problem in this district.	20.0%	40.0%	20.0%	20.0%	0.0%	0.0%
74.	Security personnel have a good working relationship with principals and teachers.	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
75.	Security personnel are	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%

	Survey Questions						
	respected and liked by the students they serve.						
76.	A good working arrangement exists between the local law enforcement and the district.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
77.	Students receive fair and equitable discipline for misconduct.	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%
78.	Safety hazards do not exist on school grounds.	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%

J. Computers and Technology

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
79.	Students regularly use computers.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
80.	Students have regular access to computer equipment and software in the classroom.	40.0%	60.0%	0.0%	0.0%	0.0%	0.0%
81.	Teachers know how to use computers in the classroom.	0.0%	40.0%	32.0%	16.0%	12.0%	0.0%

82.	Computers are new enough to be useful for student instruction.	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%
83.	The district meets students' needs in classes in computer fundamentals.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
84.	The district meets students' needs in classes in advanced computer skills.	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%
85.	Teachers and students have easy access to the Internet.	20.0%	60.0%	0.0%	20.0%	0.0%	0.0%

The narrative comments below reflect the perceptions and opinions of teacher survey respondents and do not reflect the findings or opinion of the Comptroller or the review team.

- Morgan ISD's teachers and staff are increasing standards for students in educational performance. We communicate on a daily basis to make sure the students are receiving the attention and materials they need to help them succeed in the classroom and life. We all care about each and every student no matter what grade level so as to not leave any one behind. Since we are a very small school we can get involved pretty quick on an individual basis with each teacher and student. It takes a whole village to raise a child and we instill in each student the value of a good education.
- Morgan ISD is a great place to work. Teachers and administrators work together very well. I believe the main problem we have to overcome is the generational poverty of the community. This causes the students to be less motivated. This lack of motivation is something the teachers are striving to overcome. We are all working toward a more motivated student body.

Appendix D
PARENT SURVEY RESULTS

Morgan Independent School District Management and Performance
Review
(n=25)
Demographics Data
Note: Totals may not add to 100 percent due to rounding.

1.	Gender (Optional)	Male	Female	No response
		32.0%	64.0%	4.0%

2.	Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No response
		64.0%	12.0%	8.0%	0.0%	12.0%	4.0%

3.	How long have you lived in Morgan ISD?			
	0-5 years	6-10 years	11+ years	No response
	56.0%	8.0%	36.0%	0.0%

4. What grades level(s) does your child(ren) attend?

Pre-Kindergarten	Kindergarten	First	Second	Third
4.0%	12.0%	8.0%	12.0%	16.0%
Fourth	**Fifth**	**Sixth**	**Seventh**	**Eighth**
12.0%	12.0%	28.0%	8.0%	24.0%
Ninth	**Tenth**	**Eleventh**	**Twelfth**	
16.0%	28.0%	8.0%	16.0%	

A. District Organization and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The school board allows sufficient time	8.0%	12.0%	24.0%	28.0%	28.0%	0.0%

	Survey Questions						
	for public input at meetings.						
2.	School board members listen to the opinions and desires of others.	12.0%	16.0%	20.0%	28.0%	24.0%	0.0%
3.	The superintendent is a respected and effective instructional leader.	0.0%	40.0%	28.0%	8.0%	24.0%	0.0%
4.	The superintendent is a respected and effective business manager.	4.0%	32.0%	44.0%	12.0%	8.0%	0.0%

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.	4.0%	24.0%	8.0%	24.0%	32.0%	8.0%
6.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	8.0%	24.0%	28.0%	24.0%	4.0%	12.0%
7.	The needs of the college-bound student are being met.	0.0%	20.0%	32.0%	8.0%	36.0%	4.0%

8.	The needs of the work-bound student are being met.	4.0%	24.0%	32.0%	12.0%	24.0%	4.0%
9.	The district has effective educational programs for the following:						
	a. Reading	20.0 %	32.0%	0.0%	16.0%	28.0%	4.0%
	b. Writing	12.0%	40.0%	0.0%	12.0%	36.0%	0.0%
	c. Mathematics	8.0%	32.0%	8.0%	24.0%	28.0%	0.0%
	d. Science	20.0%	36.0%	0.0%	16.0%	28.0%	0.0%
	e. English or Language Arts	8.0%	44.0%	0.0%	16.0%	32.0%	0.0%
	f. Computer Instruction	12.0%	32.0%	4.0%	16.0%	28.0%	8.0%
	g. Social Studies (history or geography)	16.0%	40.0%	0.0%	16.0%	28.0%	0.0%
	h. Fine Arts	12.0%	4.0%	16.0%	20.0%	40.0%	8.0%
	i. Physical Education	24.0%	44.0%	0.0%	12.0%	20.0%	0.0%
	j. Business Education	8.0%	4.0%	36.0%	16.0%	32.0%	4.0%
	k. Vocational (Career and Technology) Education	16.0%	8.0%	32.0%	16.0%	24.0%	4.0%
	l. Foreign Language	0.0%	8.0%	28.0%	24.0%	36.0%	4.0%
10.	The district has effective special programs for the following:						
	a. Library	12.0%	60.0%	12.0%	8.0%	8.0%	0.0%

	Service						
	b. Honors/Gifted and Talented Education	8.0%	16.0%	12.0%	32.0%	32.0%	0.0%
	c. Special Education	4.0%	28.0%	32.0%	12.0%	24.0%	0.0%
	d. Head Start and Even Start programs	4.0%	24.0%	36.0%	4.0%	24.0%	8.0%
	e. Dyslexia program	0.0%	8.0%	32.0%	8.0%	48.0%	4.0%
	f. Student mentoring program	0.0%	16.0%	20.0%	20.0%	44.0%	0.0%
	g. Advanced placement program	0.0%	16.0%	32.0%	8.0%	44.0%	0.0%
	h. Literacy program	4.0%	20.0%	24.0%	4.0%	44.0%	4.0%
	i. Programs for students at risk of dropping out of school	0.0%	16.0%	20.0%	16.0%	48.0%	0.0%
	j. Summer school programs	0.0%	16.0%	16.0%	28.0%	32.0%	8.0%
	k. Alternative education programs	4.0%	20.0%	32.0%	12.0%	24.0%	8.0%
	l. "English as a second language" program	4.0%	20.0%	28.0%	12.0%	36.0%	0.0%
	m. Career counseling program	4.0%	24.0%	20.0%	16.0%	36.0%	0.0%
	n. College counseling	4.0%	28.0%	24.0%	8.0%	32.0%	4.0%

	program						
	o. Counseling the parents of students	4.0%	4.0%	40.0%	8.0%	44.0%	0.0%
	p. Drop out prevention program	0.0%	4.0%	36.0%	20.0%	36.0%	4.0%
11.	Parents are immediately notified if a child is absent from school.	0.0%	16.0%	20.0%	28.0%	36.0%	0.0%
12.	Teacher turnover is low.	8.0%	12.0%	72.0%	4.0%	4.0%	0.0%
13.	Highly qualified teachers fill job openings.	0.0%	16.0%	32.0%	8.0%	44.0%	0.0%
14.	A substitute teacher rarely teaches my child.	8.0%	48.0%	8.0%	12.0%	20.0%	4.0%
15.	Teachers are knowledgeable in the subject areas they teach.	0.0%	44.0%	32.0%	12.0%	12.0%	0.0%
16.	All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	0.0%	28.0%	32.0%	8.0%	28.0%	4.0%
17.	Students have access, when needed, to a	0.0%	56.0%	0.0%	20.0%	24.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	school nurse.						
18.	Classrooms are seldom left unattended.	4.0%	36.0%	32.0%	4.0%	24.0%	0.0%
19.	The district provides a high quality education.	0.0%	32.0%	12.0%	12.0%	44.0%	0.0%
20.	The district has a high quality of teachers.	0.0%	36.0%	8.0%	20.0%	36.0%	0.0%

C. Community Involvement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
21.	The district regularly communicates with parents.	0.0%	28.0%	12.0%	20.0%	40.0%	0.0%
22.	District facilities are open for community use.	0.0%	12.0%	24.0%	16.0%	48.0%	0.0%
23.	Schools have plenty of volunteers to help students and school programs.	0.0%	16.0%	20.0%	16.0%	48.0%	0.0%

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	0.0%	16.0%	28.0%	8.0%	44.0%	4.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	provide input into facility planning.						
25.	Schools are clean.	12.0%	48.0%	0.0%	24.0%	16.0%	0.0%
26.	Buildings are properly maintained in a timely manner.	20.0%	48.0%	4.0%	12.0%	16.0%	0.0%
27.	Repairs are made in a timely manner.	20.0%	44.0%	20.0%	8.0%	8.0%	0.0%
28.	The district uses very few portable buildings.	16.0%	40.0%	20.0%	16.0%	0.0%	8.0%
29.	Emergency maintenance is handled expeditiously.	20.0%	20.0%	36.0%	20.0%	4.0%	0.0%

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.	4.0%	32.0%	24.0%	8.0%	32.0%	0.0%
31.	Board members and administrators do a good job explaining the use of tax dollars.	0.0%	8.0%	36.0%	16.0%	40.0%	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.	0.0%	16.0%	56.0%	12.0%	16.0%	0.0%
33.	Campus administrators are well trained in fiscal management techniques.	0.0%	16.0%	52.0%	8.0%	12.0%	12.0%
34.	The district's financial reports are easy to understand and read.	0.0%	12.0%	48.0%	16.0%	16.0%	8.0%
35.	Financial reports are made available to community members when asked.	0.0%	20.0%	44.0%	16.0%	16.0%	4.0%

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.	12.0%	56.0%	16.0%	16.0%	0.0%	0.0%
37.	Textbooks are in good shape.	8.0%	64.0%	8.0%	12.0%	4.0%	4.0%
38.	The school	4.0%	68.0%	12.0%	12.0%	4.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	library meets student needs for books and other resources.						

H. Food Services

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
39.	My child regularly purchases his/her meal from the cafeteria.	36.0%	56.0%	0.0%	8.0%	0.0%	0.0%
40.	The school breakfast program is available to all children.	32.0%	60.0%	0.0%	4.0%	4.0%	0.0%
41.	The cafeteria's food looks and tastes good.	16.0%	36.0%	12.0%	24.0%	12.0%	0.0%
42.	Food is served warm.	16.0%	40.0%	12.0%	12.0%	20.0%	0.0%
43.	Students have enough time to eat.	8.0%	56.0%	12.0%	12.0%	4.0%	8.0%
44.	Students eat lunch at the appropriate time of day.	8.0%	76.0%	0.0%	8.0%	0.0%	8.0%
45.	Students wait in food lines no longer than 10 minutes.	8.0%	68.0%	4.0%	8.0%	0.0%	12.0%
46.	Discipline and order are maintained in the school	8.0%	60.0%	16.0%	8.0%	8.0%	0.0%

		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	cafeteria.						
47.	Cafeteria staff is helpful and friendly.	16.0%	32.0%	12.0%	16.0%	24.0%	0.0%
48.	Cafeteria facilities are sanitary and neat.	24.0%	40.0%	8.0%	12.0%	16.0%	0.0%

I. Transportation

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
49.	My child regularly rides the bus.	12.0%	28.0%	28.0%	8.0%	24.0%	0.0%
50.	The bus driver maintains discipline on the bus.	0.0%	32.0%	36.0%	20.0%	12.0%	0.0%
51.	The length of the student's bus ride is reasonable.	12.0%	36.0%	36.0%	16.0%	0.0%	0.0%
52.	The drop-off zone at the school is safe.	12.0%	44.0%	28.0%	4.0%	12.0%	0.0%
53.	The bus stop near my house is safe.	12.0%	28.0%	32.0%	12.0%	4.0%	12.0%
54.	The bus stop is within walking distance from our home.	16.0%	28.0%	32.0%	8.0%	8.0%	8.0%
55.	Buses arrive and depart on time.	16.0%	32.0%	28.0%	8.0%	8.0%	8.0%
56.	Buses arrive early enough for students to	16.0%	36.0%	24.0%	8.0%	8.0%	8.0%

	Survey Questions						
	eat breakfast at school.						
57.	Buses seldom break down.	8.0%	28.0%	28.0%	12.0%	24.0%	0.0%
58.	Buses are clean.	4.0%	28.0%	32.0%	16.0%	20.0%	0.0%
59.	Bus drivers allow students to sit down before taking off.	4.0%	20.0%	32.0%	16.0%	24.0%	4.0%
60.	The district has a simple method to request buses for special events.	4.0%	28.0%	56.0%	4.0%	8.0%	0.0%

J. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
61.	Students feel safe and secure at school.	4.0%	44.0%	4.0%	16.0%	28.0%	4.0%
62.	School disturbances are infrequent.	4.0%	36.0%	16.0%	20.0%	12.0%	12.0%
63.	Gangs are not a problem in this district.	4.0%	32.0%	24.0%	16.0%	20.0%	4.0%
64.	Drugs are not a problem in this district.	4.0%	8.0%	8.0%	32.0%	44.0%	4.0%
65.	Vandalism is not a problem in this district.	4.0%	12.0%	4.0%	28.0%	48.0%	4.0%
66.	Security personnel have a good	0.0%	4.0%	48.0%	12.0%	32.0%	4.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	working relationship with principals and teachers.						
67.	Security personnel are respected and liked by the students they serve.	0.0%	4.0%	48.0%	12.0%	28.0%	8.0%
68.	A good working arrangement exists between the local law enforcement and the district.	0.0%	28.0%	20.0%	12.0%	36.0%	4.0%
69.	Students receive fair and equitable discipline for misconduct.	0.0%	12.0%	16.0%	16.0%	44.0%	12.0%
70.	Safety hazards do not exist on school grounds.	0.0%	32.0%	28.0%	8.0%	32.0%	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.	0.0%	4.0%	32.0%	16.0%	12.0%	0.0%
72.	Computers are new enough to be useful to teach students.	4.0%	64.0%	20.0%	8.0%	4.0%	0.0%
73.	The district	4.0%	60.0%	20.0%	12.0%	4.0%	0.0%

	meets student needs in computer fundamentals.						
74.	The district meets student needs in advanced computer skills	0.0%	40.0%	28.0%	12.0%	20.0%	0.0%
75.	Students have easy access to the Internet.	8.0%	28.0%	40.0%	20.0%	4.0%	0.0%

The narrative comments below reflect the perceptions and opinions of parent survey respondents. These comments do not necessarily reflect the findings or opinions of the Comptroller or review team.

- The education in Morgan is very poor. Some kids get help and some of them get no help from the teachers at Morgan ISD. The kids in school really need good teachers that are really hear to help them.
- Overall unsatisfactory school.
- In my opinion, the students would be better off if Morgan was shut down, and bused to Meridian ISD.
- I really feel like the school needs to be looked at more.
- I really wish that if this school is not improved SOON, that they will close it so our children can attend a better school!
- My children love this school. Every time I try to put them in another school, it doesn't work out. I guess they will graduate here.
- There are a lot of things in the school I am not aware of. I do know that they should focus more on trades and short-term education careers such as plumbing, mechanics, etc. that kids could realistically make their goals, because not every child is college material.
- There is no PTO or PTA. School board is one Happy Family (related).
- I strongly disagree with this school, but my kids are in this district. My kids play cards all day at school. They are not learning anything. They are not organized at any activity at all. They do not offer band, art or homemaking just to name a few. It is the worst school in Bosque County or anywhere. I am ashamed that my kids go there. It is an awful school they don't learn a thing.
- The children cannot read at the 1st grade level most of the time. They can't give change.

- What really worries me is not just my kids, but a lot of Morgan kids cannot read.
- The local police and school have not and will not prosecute the kids that do things wrong.
- I have not lived here long enough to know all I need to about the school system. My two children don't have many negative remarks about what goes on at school. I do know they don't like to go to school here in Morgan. Plan to move when school is out this May.
- My comment is, when my son's papers get graded there is just a check mark and no grade. How do I know what my son's grade is? Also, a program is needed to help the children that are slow. Look at the drop out for the past five years.
- Kids need to be more educated on the laws of the state of Texas. Also, need to be provided with a better math program or teacher.
- I do not feel the principal is adequate in her job. She is not a fair person either. She doesn't treat everyone the same whether it be student or faculty.
- We were informed that the school board allows individuals only five minutes to address any concerns about conditions at Morgan ISD. This is not enough time to express concerns.
- We are not made aware if a teacher's suggestion is investigated.
- It has come to our attention that graduates have to take extra courses in college to get to where they need to be in order to start their college education.
- Morgan ISD does not offer any art or music opportunities for students. Business Education is not offered. We are not aware of any Foreign Language offered. Physical Education consists of strenuous exercise beyond the capabilities of the children. Also, children injured during P.E. are made to continue participating. Parents are not notified of injury to students until the child arrives at home to inform the parent.
- We are unaware of teacher's credentials.
- When we approach the faculty with any concerns that we may have as parents, we are met with "side stepping," disrespect, lies, and our issues are never considered.
- The school building seems to be clean when we visit, but personal hygiene seems to be an issue for the students. Morgan ISD is infested with head lice. When a child is found to have lice, they are sent to the nurse (who only comes twice a week), and checked for "live" lice. Only if a live bug is found, the child is sent home. The reintroduction to school only requires a box or bottle of treatment to be shown (no rechecking of the head.) If nits are found, there is nothing done. Children with live lice nits are allowed to remain in the system. So, in our determination, the children are not being "denitted" by their parents and allowed to return to school only to let the nits hatch into a new batch of head lice. We have personally

spoken with several health officials and parents that have been battling head lice at this school for several years, and it seems to be the general consensus that a "no nit" policy should be enforced. We cannot stress enough the importance of "denitting" upon lice treatment. If the "no nit" policy does not take effect, we are afraid that our children will certainly develop brain tumors from the over use of pesticides, since the pesticide used in the treatment of head lice is carcinogenic.

- We have spoken to a former PTO member, and there was money raised for a new playground. The PTO member has no idea where the money was spent.
- We have never seen a financial report from the school.
- Being a former bus driver in a different state, buses, in my opinion, are very unsafe due to maintenance and broken windows, etc.
- Our children have been harassed, stabbed with pencils, followed home from school by threatening students, and the principal feels that this is not her problem. She told us "What goes on off school grounds is none of my concern." These instances were on school grounds. One of the children went to her crying about the threats and she told her that if it didn't happen on school grounds there was nothing she could do about it. That is when the other students (five of them) chased her and her two little cousins home. When the pencil-stabbing incident occurred, we were not informed of any disciplinary action taken in the matter. We were not notified of the stabbing until the child came home. She went to the doctor the next day to make sure the wound was not infected. Also, students that threatened children weren't even confronted by the faculty to our knowledge. When we asked the principal if anything had been done, we were told no.
- Thank you for taking the time to read our explanations of the answers given on the survey. We know it is lengthy. We tried to keep it short, but you know how it is when you are concerned for your children. And, thank you for sending the survey in the first place. We sincerely hope that this is the first step in improving our school system in Morgan. We do have faith in you after reading your credentials. Thank you so much for being in your position and being there for the people.

Appendix E
STUDENT SURVEY RESULTS

Morgan Independent School District Management and Performance
Review
(n=12)
Demographics Data
Note: Totals may not add to 100 percent due to rounding.

1.	Gender (Optional)	Male	Female	No Response
		41.7%	58.3%	0.0%

2.	Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No Response
		66.7%	0.0%	25.0%	0.0%	8.3%	0.0%

3.	What is your classification?	Junior	Senior
		16.7%	83.3%

A. Educational Service Delivery and Performance Measurement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The needs of the college-bound student are being met.	50.0%	25.0%	25.0%	0.0%	0.0%	0.0%
2.	The needs of the work-bound student are being met.	0.0%	66.7%	33.3%	0.0%	0.0%	0.0%
3.	The district has effective educational programs for the following:						
	a. Reading	16.7%	50.0%	33.3%	0.0%	0.0%	0.0%

	b. Writing	25.0%	58.3%	16.7%	0.0%	0.0%	0.0%
	c. Mathematics	25.0%	50.0%	8.3%	16.7%	0.0%	0.0%
	d. Science	25.0%	25.0%	16.7%	8.3%	16.7%	8.3%
	e. English or Language Arts	8.3%	75.0%	16.7%	0.0%	0.0%	0.0%
	f. Computer Instruction	50.0%	33.3%	8.3%	8.3%	0.0%	0.0%
	g. Social Studies (history or geography)	16.7%	66.7%	16.7%	0.0%	0.0%	0.0%
	h. Fine Arts	16.7%	16.7%	41.7%	16.7%	8.3%	0.0%
	i. Physical Education	25.0%	50.0%	8.3%	8.3%	8.3%	0.0%
	j. Business Education	25.0%	16.7%	50.0%	0.0%	8.3%	0.0%
	k. Vocational (Career and Technology) Education	16.7%	16.7%	41.7%	16.7%	8.3%	0.0%
	l. Foreign Language	25.0%	58.3%	16.7%	0.0%	0.0%	0.0%
4.	The district has effective special programs for the following:						
	a. Library Service	8.3%	58.3%	8.3%	16.7%	8.3%	0.0%
	b. Honors/Gifted and Talented Education	0.0%	25.0%	58.3%	16.7%	0.0%	0.0%
	c. Special Education	8.3%	41.7%	41.7%	0.0%	0.0%	8.3%
	d. Student mentoring program	8.3%	25.0%	58.3%	0.0%	8.3%	0.0%
	e. Advanced	8.3%	16.7%	66.7%	8.3%	0.0%	0.0%

		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	placement program						
	f. Career counseling program	16.7%	25.0%	41.7%	0.0%	16.7%	0.0%
	g. College counseling program	8.3%	33.3%	41.7%	8.3%	8.3%	0.0%
5.	Students have access, when needed, to a school nurse.	25.0%	41.7%	8.3%	25.0%	0.0%	0.0%
6.	Classrooms are seldom left unattended.	8.3%	50.0%	16.7%	8.3%	0.0%	16.7%
7.	The district provides a high quality education.	33.3%	25.0%	25.0%	8.3%	8.3%	0.0%
8.	The district has a high quality of teachers.	33.3%	33.3%	25.0%	0.0%	8.3%	0.0%

B. Facilities Use and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
9.	Schools are clean.	50.0%	33.3%	8.3%	8.3%	0.0%	0.0%
10.	Buildings are properly maintained in a timely manner.	41.7%	50.0%	8.3%	0.0%	0.0%	0.0%
11.	Repairs are made in a timely manner.	33.3%	58.3%	8.3%	0.0%	0.0%	0.0%
12.	Emergency maintenance is handled in a	33.3%	50.0%	16.7%	0.0%	0.0%	0.0%

		timely manner.						

C. Purchasing and Warehousing

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
13.	There are enough textbooks in all my classes.	25.0%	50.0%	16.7%	8.3%	0.0%	0.0%
14.	Students are issued textbooks in a timely manner.	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%
15.	Textbooks are in good shape.	25.0%	41.7%	25.0%	8.3%	0.0%	0.0%
16.	The school library meets student's needs for books and other resources.	16.7%	50.0%	25.0%	8.3%	0.0%	0.0%

D. Food Services

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
17.	The school breakfast program is available to all children.	41.7%	58.3%	0.0%	0.0%	0.0%	0.0%
18.	The cafeteria's food looks and tastes good.	41.7%	41.7%	16.7%	0.0%	0.0%	0.0%
19.	Food is served warm.	33.3%	58.3%	0.0%	8.3%	0.0%	0.0%
20.	Students have enough time to eat.	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
21.	Students eat lunch at the appropriate time of day.	58.3%	41.7%	0.0%	0.0%	0.0%	0.0%
22.	Students wait in food lines no longer than 10 minutes.	8.3%	50.0%	16.7%	25.0%	0.0%	0.0%
23.	Discipline and order are maintained in the schools cafeteria.	16.7%	66.7%	8.3%	8.3%	0.0%	0.0%
24.	Cafeteria staff is helpful and friendly.	33.3%	50.0%	8.3%	8.3%	0.0%	0.0%
25.	Cafeteria facilities are sanitary and neat.	33.3%	50.0%	8.3%	0.0%	8.3%	0.0%

E. Transportation

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
26.	I regularly ride the bus.	0.0%	0.0%	33.3%	25.0%	41.7%	0.0%
27.	The bus driver maintains discipline on the bus.	16.7%	0.0%	75.0%	0.0%	8.3%	0.0%
28.	The length of the bus ride is reasonable.	16.7%	0.0%	83.3%	0.0%	0.0%	0.0%
29.	The drop-off zone at the school is safe.	25.0%	8.3%	66.7%	0.0%	0.0%	0.0%
30.	The bus stop near my house is safe.	25.0%	0.0%	75.0%	0.0%	0.0%	0.0%

	Survey Questions						
31.	The bus stop is within walking distance from our home.	25.0%	0.0%	75.0%	0.0%	0.0%	0.0%
32.	Buses arrive and depart on time.	16.7%	16.7%	58.3%	0.0%	8.3%	0.0%
33.	Buses arrive early enough to eat breakfast at school.	16.7%	16.7%	58.3%	0.0%	8.3%	0.0%
34.	Buses seldom break down.	16.7%	16.7%	66.7%	0.0%	0.0%	0.0%
35.	Buses are clean.	16.7%	16.7%	58.3%	0.0%	8.3%	0.0%
36.	Bus drivers allow students to sit down before taking off.	16.7%	8.3%	66.7%	0.0%	8.3%	0.0%

F. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
37.	I feel safe and secure at school.	33.3%	58.3%	8.3%	0.0%	0.0%	0.0%
38.	School disturbances are infrequent.	16.7%	66.7%	8.3%	8.3%	0.0%	0.0%
39.	Gangs are not a problem in this district.	41.7%	50.0%	8.3%	0.0%	0.0%	0.0%
40.	Drugs are not a problem in this district.	16.7%	33.3%	8.3%	33.3%	8.3%	0.0%
41.	Vandalism is not a problem	16.7%	41.7%	16.7%	25.0%	0.0%	0.0%

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
	in this district.						
42.	Security personnel have a good working relationship with principals and teachers.	16.7%	16.7%	58.3%	8.3%	0.0%	0.0%
43.	Security personnel are respected and liked by the students they serve.	16.7%	16.7%	58.3%	8.3%	0.0%	0.0%
44.	A good working arrangement exists between the local law enforcement and the district.	16.7%	25.0%	41.7%	16.7%	0.0%	0.0%
45.	Students receive fair and equitable discipline for misconduct.	16.7%	50.0%	25.0%	8.3%	0.0%	0.0%
46.	Safety hazards do not exist on school grounds.	16.7%	25.0%	58.3%	0.0%	0.0%	0.0%

G. Computers and Technology

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
47.	Students have regular access to computer equipment and software in the classroom.	50.0%	25.0%	16.7%	0.0%	8.3%	0.0%

48.	Teachers know how to use computers in the classroom.	50.0%	33.3%	16.7%	0.0%	0.0%	0.0%
49.	Computers are new enough to be useful for student instruction.	58.3%	16.7%	16.7%	8.3%	0.0%	0.0%
50.	The district offers enough classes in computer fundamentals.	41.7%	25.0%	33.3%	0.0%	0.0%	0.0%
51.	The district meets student needs in classes in advanced computer skills.	33.3%	41.7%	25.0%	0.0%	0.0%	0.0%
52.	Teachers and students have easy access to the Internet.	50.0%	33.3%	16.7%	0.0%	0.0%	0.0%

The narrative comments below reflect the perceptions and opinions of student survey respondents and do not reflect the findings or opinion of the Comptroller or the review team.

- I feel that it should be a requirement that every member of a sport should take a drug test. Drugs are definitely a problem in Morgan. This should be worked on. It's a growing problem.
- It's a good school in my opinion, although others disagree. Morgan has taught me well and I really hate to have to graduate.
- I feel that Morgan ISD has given me the knowledge to get me into college and where I need to be. It was great while it lasted.
- As a student, I do not feel that the requirements are met in Morgan ISD. I think it's sad that in our chemistry class we had to stop half way through the semester because we weren't taught the things we need to know years before. I think it's sad that we have to hire new teachers each year because some teachers don't do their jobs.