Santa Maria
Independent School District

Santa Maria Independent School District

**Legislative Budget Board Staff and
MGT of America, Inc.**

February 2012

LEGISLATIVE BUDGET BOARD

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March 1, 2012

Ms. Maria Chavez
Superintendent
Santa Maria Independent School District

Dear Ms. Chavez:

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

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

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

The Legislative Budget Board engaged MGT of America, Inc. to conduct and produce
this review, with LBB staff working in a contract oversight role.

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

Respectfully submitted,

John O'Brien
Director
Legislative Budget Board

cc: Ms. Consuelo De La Rosa
Mr. Jose F. Gonzalez
Mr. Leonardo Martinez
Mr. Oscar Saldivar, Jr.
Ms. Melissa Aleman
Mr. Noe Aleman
Mr. Miguel Zavala

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EXECUTIVE SUMMARY

Santa Maria Independent School District's (SMISD's) school performance review notes 4 commendable practices and makes 72 recommendations for improvement. This Executive Summary highlights the district's significant accomplishments and presents the review team's findings and recommendations. A copy of the full report is available at www.lbb.state.tx.us.

SIGNIFICANT ACCOMPLISHMENTS

- Santa Maria ISD has implemented a morning, after school and Saturday program to provide academic assistance and enrichment opportunities to help students meet academic standards in core subjects (Reading, Math, Science, and Social Studies) through the After-school Centers on Education (ACE) program. The federally funded 21st Century Community Learning Center cooperative targets high-need, high-poverty, and low-performing school districts. Academic and enrichment supports are also provided to parents and community members to assist them in improving their English language skills, completing their General Educational Development (GED), and/or preparing for college and career.

- The district has successfully secured competitive grants for innovative student interventions and enrichment by applying and being approved for various competitive grants to supplement academic supports and enrichments for its students and their families through the use of an external grant writer. Of the district's $6 million budget for 2011–12, nearly $2 million is from competitive grants. The beneficiaries are primarily the middle school students and staff in most grants with the exception of the ACE grant. The 21st Century ACE program is in Year 4 (allocation $212,500), the TTIPS (Texas Title I Priority Schools Grant) (allocation $1.4 million), is in Year 1 of a guaranteed 2 year grant with possible extension, and GEAR UP (Gaining Early Awareness for Readiness for Undergraduate Programs) (allocation $68,950), is in year 1 of 7.

SIGNIFICANT FINDINGS

- The district does not have a well-timed annual district and campus planning cycle to ensure budget support

and timely implementation of goals, objectives, and strategies.

- The district lacks board member protocols to ensure members operate as a team and make decisions based on the needs of the district.

- The district lacks the instructional leadership, experience, and expertise needed to effectively and efficiently improve student performance.

- Santa Maria ISD lacks campus-based decision making structures and processes for curriculum and instructional planning, instructional resource allocation, and instructional budgeting to appropriately address the academic needs of its students at the campus level.

- The district is lacking adequate financial management to carry out needed business office responsibilities.

- Santa Maria ISD does not follow best practices in overall cash management, policies, and procedures to ensure adequate funds are available to meet district needs and to ensure there are no misappropriations of funds.

- The district has not developed a space utilization plan to optimize usage of existing classroom and building space.

- Santa Maria ISD has not established an energy management plan.

- The district lacks appropriate equipment related to safety and security.

- The district operates school buses that are not consistant with federal safety standards for "compartmentalization" of seats.

- Santa Maria ISD requires each elementary and middle school student take a reimbursable lunch, which may not be consistent with the National School Lunch Program.

- The counting procedures currently used to record reimbursable breakfasts served in the classrooms

appear to not be consistent with the procedures on file with TDA and may not yield accurate claims.

SIGNIFICANT RECOMMENDATIONS

BOARD GOVERNANCE

- **Recommendation: Create a written procedure for the development of district and campus plans for board approval prior to budgeting of each school year.** A review of district policies and interviews with staff indicate the lack of a document outlining the requirements of the district/campus planning process. While the board has adopted three planning policies (BQ (LEGAL), BQA (LEGAL), and BQB (LEGAL)), those policies relate to the general planning and decision-making expectations of the state and do not provide specific guidance to staff. Given the academic status of the district and the changes in the state testing system from the Texas Assessment of Knowledge and Skills (TAKS) to the State of Texas Assessments of Academic Readiness (STAAR), and the increase in rigor of the STAAR, it is essential the district have a coordinated plan to address the learning required and implement those plans immediately.

- **Recommendation: Develop a plan to participate in intense workshops on role and responsibility of the board and superintendent to ensure all stakeholders have a positive perception of the board's actions.** Interviews with board members, administrators, and focus groups with teachers expose a general perception that board members do not work as a team and that the board micro-manages the district particularly in the area of personnel decisions. In addition, all board members described the board as a split board. A review of board training records also reveals evidence that board members regularly attend training conferences; however, there is little evidence of team building training or opportunities for the board to collaborate as a team. By failing to work together on many important matters, a board reduces its effectiveness and decreases its standing in their community. Board behaviors that continue to create a negative perception among staff will continue to create a negative school climate that may impact staff morale and ultimately impact students. Effective school boards may disagree on matters before them, but always work together for the benefit of the district

and do not act independently but rather as a cohesive whole, drawing from individual strengths for the collective good of the district.

EDUCATIONAL SERVICE DELIVERY

- **Recommendation: Create an administrative position at the district level to provide leadership for educational services including, curriculum, instruction, assessment and special programs.** There is no instructional or special program leader at the district level to create a vision and guide the implementation of a district action plan to improve student performance and to oversee the quality of services offered through special programs for students. At the time of the review team's site visit, the administrative team, including the superintendent and the elementary and middle school principals were new to their current professional positions and had been employees of the school district less than three months. As of January 2011, the elementary and middle schools have had four principal changes in four years while the high school has had three principals in the same four year period. Data gathered reflect that neither the superintendent nor the principals employed in 2011 have any experience in their current roles nor do they have the expertise to restructure and reform low performing school districts. Interviews with key district and campus leaders indicate there were no answers for the state of the organization. Few to no records could be produced of campus improvement plans; Site-Based Decision Making (SBDM) meeting agendas or minutes; member lists; and records of grade level or campus meetings to discuss student data or plan new actions. Unsuccessful organizational structures continue to exist and new principals have limited authority because staff believes that the turnover will continue and therefore there is little to no receptiveness to changing their current structures or behaviors. The absence of such expertise compromises the district's ability to improve the performance of staff and the achievement of students.

- **Recommendation: Develop an operational framework that focuses campus responsibility and accountability for goal setting, curriculum planning, budgeting, and resource allocation to address the instructional priorities of the district at the school site level.** According to the

superintendent, principals, and teachers, there are currently no planning activities or timelines established for the 2011–12 school year to discuss curriculum, instruction, student performance data or instructional priorities though it is anticipated this level of planning would occur at some point. In addition, the district has two educational consultants assigned by the Texas Education Agency to provide leadership and guidance in improving student achievement. The educational consultants called Technical Assistance Providers (TAP) are assigned to campuses that fail to meet acceptable accountability ratings or fail to meet Adequate Yearly Progress (AYP) standards. In 2010–11, the district earned an Academically Unacceptable rating as did both the elementary and middle schools, while the high school was rated Academically Acceptable. Additionally, the elementary and middle schools failed to meet the AYP standards in both Reading and Mathematics as required under the No Child Left Behind (NCLB) Act while the middle school having missed AYP twice is now at the stage two level of the accountability system. Best practice standards have long stressed the value of campus-based decision making structures and processes. Campus-based planning structures shift greater autonomy, responsibility, and accountability to the stakeholders who are at the closest level of implementation and have the greatest understanding of the students' academic issues and relies on the expertise of the campus leaders to create solutions to their greatest challenges, in this case, student academic performance.

FINANCIAL MANAGEMENT

- **Recommendation: Implement effective business management practices to ensure fiscal integrity**. The district is lacking adequate financial management to carry out needed business office responsibilities. Identified practices that negatively impact the efficiency of the business office operations in Santa Maria ISD are as follows:
  - The business manager does not possess Texas Association of School Business Officials (TASBO) certification.
  - The business office payroll/accounts payable clerk lacks previous school experience prior to being hired to handle these dual responsibilities.

  - The payroll/accounts payable clerk received minimal training from the software provider.
  - There is no segregation of duties to ensure internal control.
  - The general ledger is not current as entries are lacking from untimely bank reconciliations.
  - There is no calendar or plan to ensure all reporting requirements are met.
  - Budget amendments are not made as needed.
  - The business office pays for financial modules that have not been implemented.
  - Campus administrators do not have access to their respective budgets.
  - Reports to the school board, community, or state and federal governments do not have accurate information due to untimely general ledger entries.
  - There is little or no oversight and monitoring of financial procedures and functions to ensure internal control.
  - The business manager does not routinely meet or update the interim superintendent on the district's financial status.

Finally, the independent auditor for fiscal year 2009–10 also uncovered that federal reimbursement requests were submitted late, incomplete, or incorrect; however, discrepancies were cleared after the general ledger was corrected. It is critical for internal control and accurate data that the general ledger be current. Santa Maria ISD should implement management practices to ensure fiscal integrity according to the Texas Education Agency's Financial Accountability System Resource Guide (FASRG) and TASBO best practices.

- **Recommendation: Implement sound cash management using industry standards and best practices to ensure the appropriate use of district resources.** Santa Maria ISD does not follow best practices in cash management policies and procedures to ensure adequate funds are available to meet district needs and to ensure there are no misappropriations of funds. The district does not use any type of cash flow projection since all cash is being kept in non-interest bearing accounts in the district's depository. A twelve month cash flow projection used by most districts is not generated by Santa Maria ISD. The district's 12-month cash flow document is instead a working document to adjust as needed in order to make certain

that monies are available for current operations and to plan ahead for months where there is less cash on hand. Additionally, the current year's tax receipts are not received until statements are sent out at the end of October and there is always at least one month that money is not received from the state. Finally, the district's investment officer/business manager and alternate investment officer/interim superintendent (as required by the Public Funds Investment Act) lack the appropriate investment officer certification, which ensures that the officer knows and understand investment responsibilities. Good cash management practices require an effective planning process that uses documented and effective methods for:

- Budget preparation;
- Evaluation of budgeted to actual expenditures;
- Cash flow projections;
- Coordination of work flow and report generation;
- Procedures for efficiency of activities;
- Compliance with FASRG;
- Monitoring district's financial activities; and
- Maximizing the district's resources.

FACILITIES USE AND MANAGEMENT

- **Recommendation: Create a space utilization plan that would optimize usage of existing classroom and building space**. According to the review team's onsite assessment, all three Santa Maria schools had instructional space that was not used at all. The inventory of district facilities shows the district has 172,232 square feet of building space with 153,825 square feet classified as instructional space (gymnasium space is included in this figure). The review team identified 13 regular classrooms not in use during the district's instructional day. Additionally, the district's 4,360 square feet high school vocational building was entirely not in use for any purpose. Furthermore, the district does not monitor the cost for underutilizing facilities. Classrooms and offices that are used periodically still require maintenance and cleaning. By continuing the practice of not optimizing space usage, the district incurs unnecessary operational costs. The creation of the space utilization plan may be created with existing resources and although Santa Maria ISD may not be able to eliminate the full amount of maintenance fees, a reduction of 50

percent of the expenditure for underutilized facilities would save the district $36,679 annually.

- **Recommendation: Develop an energy management program with an annual goal of reducing energy consumption.** In 2010, the school board updated board policy CL (LEGAL) "Buildings, Grounds, and Equipment Management." The policy mandated that the board shall establish a long-range energy plan to reduce the district's annual electric consumption and that policy would allow the district to enter into an energy savings performance contract for energy or water conservation measures to reduce energy or water consumption or operating costs of schools. However, a plan has not been developed and the district has not secured energy savings performance contracts. In 2009–10 and 2010–11, the district took measures to service or replace most Heating, Ventilation, Air Conditioning (HVAC) units throughout the campus, but the district has not developed expectations for staff regarding cost effective use of energy. Santa Maria ISD expended, on average, $316,184 for utilities over the past three years. Utility costs are a school district's second highest expenditure after personnel. By reducing energy consumption of underutilized facilities, the district may reduce expenditures of up to $38,853 per year.

- **Recommendation: Develop a safety equipment list by order of priority including a breakdown of costs, which may be presented to the board for approval.** The district lacks appropriate equipment related to safety and security routinely found in school districts such as the following:
  - The public address system is unavailable for all classrooms in the district's elementary and middle schools.
  - Working telephones or intercom system is unavailable in all classrooms for all three SMISD schools.
  - Two-way radios are unavailable for the police chief, office administrators, bus drivers, and district administrators.
  - Electronic notebooks are unavailable for the police chief and information is hand-written; then later entered into a computer.
  - The fire alarm system is not working in the middle school.

- Fire extinguishers were housed in broken cases and one was covered by a plastic bag in the middle school.
- No Automated External Defibrillator (AED) was available on the middle school campus.

The safety of students and staff in the middle school in particular is at risk should a fire start on campus. Working safety equipment is essential for school district personnel to use should an incident occur needing immediate attention. This scenario is especially true in the case of an AED, which is required to be available at each campus in the district in compliance with Section 38.017 of the Texas Education Code (TEC). It is important to the safety of all stakeholders in the district that the board begins a process to determine which equipment should be repaired first and which may be detained in order of priority.

TRANSPORTATION

- **Recommendation: Repair and securely fasten all damaged seats to be consistent with federal safety standards for school bus seats.** An inspection of buses operated by Santa Maria ISD identified bus seats that appeared to be inconsistent with federal standards for school bus seats. Seats were found that were void of any foam backing, leaving bare metal as the only form of protection afforded riders. Additionally, it was observed that seat cushions were not secured to the seat frame and would not remain intact in a collision. The Texas Department of Public Safety School Bus Transportation Program provides specifications for school buses in the state. Furthermore, the Federal Register Volume 76, No. 165 states in Federal Motor Vehicle Safety Standard (FMVSS) No. 222 that school bus passenger seating and crash protection requires that passengers on large school buses be protected through a concept called "compartmentalization." For large school buses, FMVSS No. 222 relies on requirements for "compartmentalization" to provide passenger crash protection. "Compartmentalization" ensures that passengers are cushioned and contained by the seats in the event of a school bus crash by requiring school bus seats to be positioned in a manner that provides a compact, protected area surrounding each seat. Seats must meet specific height requirements and be constructed, by use of substantial padding, so

they provide protection when they are impacted by the head and legs of a passenger. It is critical to the safety of Santa Maria bus students that the district immediately repairs these buses.

FOOD SERVICES

- **Recommendation: Cease requiring every elementary and middle school student to select a reimbursable lunch to be consistent with federal requirements.** Santa Maria ISD requires each elementary and middle school student take a reimbursable lunch, which may not be consistent with the National School Lunch Program. Teachers, food service staff members, and other students verified that the district practice is for each student to select a reimbursable lunch yet district personnel do not enforce this practice at the high school level. Each day the district offers four components (at least five food items) as a reimbursable lunch. However, federal guidelines under the Offer versus Serve provision indicate that students may refuse any or all components of the meal. If a student selects less than three components, food service staff may suggest and encourage that the student select additional foods, but cannot force them to take the foods in order to claim reimbursement for the meal. If a student selects one or two components, a la carte prices may be charged. The district should comply with federal regulations and cease requiring every elementary and middle school student to select a reimbursable lunch.

- **Recommendation: Santa Maria ISD should monitor breakfast in the classroom service routinely to ensure that teachers are conforming to the approved counting and claiming procedures; and that the only breakfasts claimed are reimbursable.** The counting procedures currently used to record reimbursable breakfasts served in the classrooms appear to not be consistent with the procedures on file with Texas Department of Agriculture (TDA) and may not yield accurate claims. Although the food service director held training sessions for teachers at the beginning of the school year, and provided support materials at that time, few teachers could locate those materials or appeared confident in their knowledge of what a student is required to select in order to claim a breakfast for reimbursement. It appeared to the review team while onsite that discrepancies noted on the Coordinated Review Effort (CRE) conducted

by TDA in November 2010 continue. Although compliance with all state and federal regulations is imperative in the operation of the Child Nutrition Program, districts must exercise diligence in self-monitoring compliance in the critical areas addressed in the CRE in order to protect their reimbursement. TDA determines CRE overclaims based on the longevity and severity of the violation. The reclaim could be as little as the meals claimed during the review month, to funds claimed over multiple years.

GENERAL INFORMATION

- Santa Maria ISD is located at the junction of Highway 281 and Farm Road 2556, 12 miles southwest of Harlingen in southwestern Cameron County.

- The 2009–10 district profile as listed in the Academic Excellence Indicator System (AEIS) of the Texas Education Agency (TEA) reflects the following demographics:
  - an enrollment of 666 students;
  - 99.7 percent Hispanic; and
  - 0.3 percent Anglo.

- The district has a population of 94.3 percent economically disadvantaged students with 66.7 percent being at-risk.

- The district has experienced significant leadership turnover in the past 11 years. During this period, there have been four full-time superintendents, two interim superintendents, and five business managers. The elementary principal has changed six times and the middle school principal seven times. The high school principal has changed five times.

- The Texas Education Agency assigned a financial monitor on October 13, 2008, due to long standing financial problems that the school district had been experiencing, however, SMISD was able to clear up their financial problems, and on August 16, 2011, the Commissioner of Education made the decision to remove the financial monitor. This action was in response to a letter sent on behalf of the district by their attorney.

- The district is served by the Regional Education Service Center 1 (Region 1) in Edinburg.

- Mr. Cuellar, the interim superintendent since July 2011, is not currently seeking the position of permanent superintendent.
  - As of February 2012, the district has hired a new Interim Superintendent.

- The district is represented by Senator Eddie Lucio, Jr. and Representative Eddie Lucio, III.

SCHOOLS

The district has three schools, including the following:
- Tony Gonzales Elementary School (Grades PK–4);

- Santa Maria Middle School (Grades 5–8); and

- Santa Maria High School (Grades 9–12).

FINANCIAL DATA

- Total actual 2009 expenditures: $7,261,502.

- Fund balance as a percent of total budgeted expenditures was 2.1 percent (2009–10) compared to the state average of 19.1 percent.

- Final 2009–10 Tax Rate: $1.255 ($1.040 Maintenance and Operations and $0.215 Interest and Sinking).

- Final SMISD total wealth per student: $56,014 with final wealth per WADA (2009–10) at $34,787.

- In 2009, 48.7 percent of total actual expenditures were spent on instruction, while 54.7 percent of actual operating expenditures were spent on instruction.

- Instructional expenditure ratio (general funds) was reported at 58.2 percent compared to the state average of 64.9 percent.

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

Each chapter concludes with a fiscal impact chart listing the chapter's recommendations and associated savings or costs for 2012–13 through 2016–17.

The following table summarizes the fiscal impact of all 72 recommendations in the performance review.

FISCAL IMPACT

	2012–13	2013–14	2014–15	2015–16	2016–17	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
Gross Savings	$163,234	$163,434	$163,234	$163,434	$163,234	$816,570	$0
Gross Costs	($203,858)	($195,938)	($187,938)	($185,538)	($185,538)	($958,810)	($80,200)
TOTAL	**($40,624)**	**($32,504)**	**($24,704)**	**($22,104)**	**($22,304)**	**($142,240)**	**($80,200)**

CHAPTER 1

DISTRICT ORGANIZATION

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 1. DISTRICT ORGANIZATION

Santa Maria Independent School District (Santa Maria ISD) is located at the junction of Highway 281 and Farm Road 2556, 12 miles southwest of Harlingen in southwestern Cameron County. The area was first settled in the mid-1750s by Jose de Escandon and became a part of a land grant by Spain to Rosa Maria Hinojosa de Bali in 1777. By 1880, Santa Maria included a post office, two schools, a daily stage, a military post, and a customhouse.

The 2010 United States Census reveals a total population of 2,542 with 662 total households and 572 family households. It reports population ethnicity as 3 percent white, 96.6 percent Hispanic, and .03 percent other. The U.S. Census further reports 54.3 percent of the population has an educational attainment of less than ninth grade, 16.6 percent as ninth to twelfth grade with no diploma, and 15.7 percent as high school graduates and equivalency. Approximately 10.3 percent of the population has some college and/or an associate's degree with 2 percent having a bachelor's degree and 1.2 percent having a graduate or professional degree.

Santa Maria ISD currently serves the geographical area of Santa Maria proper and the nearby community of Bluetown-Iglesia Antigua. Santa Maria ISD serves approximately 666 students at three campuses: Tony Gonzales Elementary School, Santa Maria Middle School, and Santa Maria High School. A review of the Academic Excellence Indicator System (AEIS) reports indicates that the student enrollment was 522 students in 1993–94. This reflects an enrollment increase of 144 students in the approximate 20 year period.

According to the 2009–10 AEIS report, 99.7 percent of the students are Hispanic and 0.3 percent are Anglo with 94.3 percent being economically disadvantaged, 44.4 percent Limited English Proficient (LEP), and 66.7 percent at-risk. The same report reveals that 10.9 percent of the teaching staff is Anglo and 84.8 percent is Hispanic.

In 2009–10, the district was rated Academically Acceptable by the Texas Education Agency (TEA) and met federal adequate yearly progress (AYP) as a district; however, Santa Maria Middle School missed AYP. In 2010–11, the district was rated Academically Unacceptable by the TEA and the district, and all three campuses missed AYP, placing Santa Maria Middle School in Stage One of state corrective action.

The district submitted and was funded for a Texas Title I Priority Schools Grant (TTIPS grant).

The district is governed by a seven-member Board of Trustees **Exhibit 1–1** elected at-large. There were four positions for the previous 2010 election resulting in three new board members and one re-elected incumbent. The Board of Trustees meets on the second Monday of each month at 6:30 p.m. Board policy indicates that agendas are prepared by the superintendent in consultation with the board president.

EXHIBIT 1–1
SANTA MARIA ISD BOARD OF TRUSTEES

NAME	TITLE	TERM EXPIRATION	LENGTH OF SERVICE IN YEARS
Consuelo De La Rosa	President	2014	11
Jose F. Gonzalez	Vice-President	2014	7
Leonardo Martinez	Secretary	2012	11
Melissa Aleman	Member	2014	1
Noe Aleman	Member	2012	4
Oscar Saldivar,Jr.	Member	2012	6
Miguel Zavala	Member	2014	1

Source: Santa Maria ISD administration, October 2011.

The superintendent oversees the management of the district's daily operations as outlined in policies BJA (LEGAL) and BJA (LOCAL). The role of superintendent is currently being filled through a 12-month interim contracted arrangement with Interim Superintendent Martin Cuellar who replaced substitute/ interim superintendent of six months Jose Trevino. Other management positions are reflected in **Exhibit 1–2** and include the business manager, the child nutrition director, campus principals, and the 21st century community learning center's project director.

The district has experienced significant leadership turnover in the past 11 years. During this period, there have been four full-time superintendents, two interim superintendents, and five business managers. The elementary principal has changed six times, the middle school principal seven times, and the high school principal has changed five times and the position is currently posted for the hiring of a new principal. A board meeting was posted September 28, 2011, three working days

EXHIBIT 1–2
SANTA MARIA ORGANIZATION
SCHOOL YEAR 2011–12
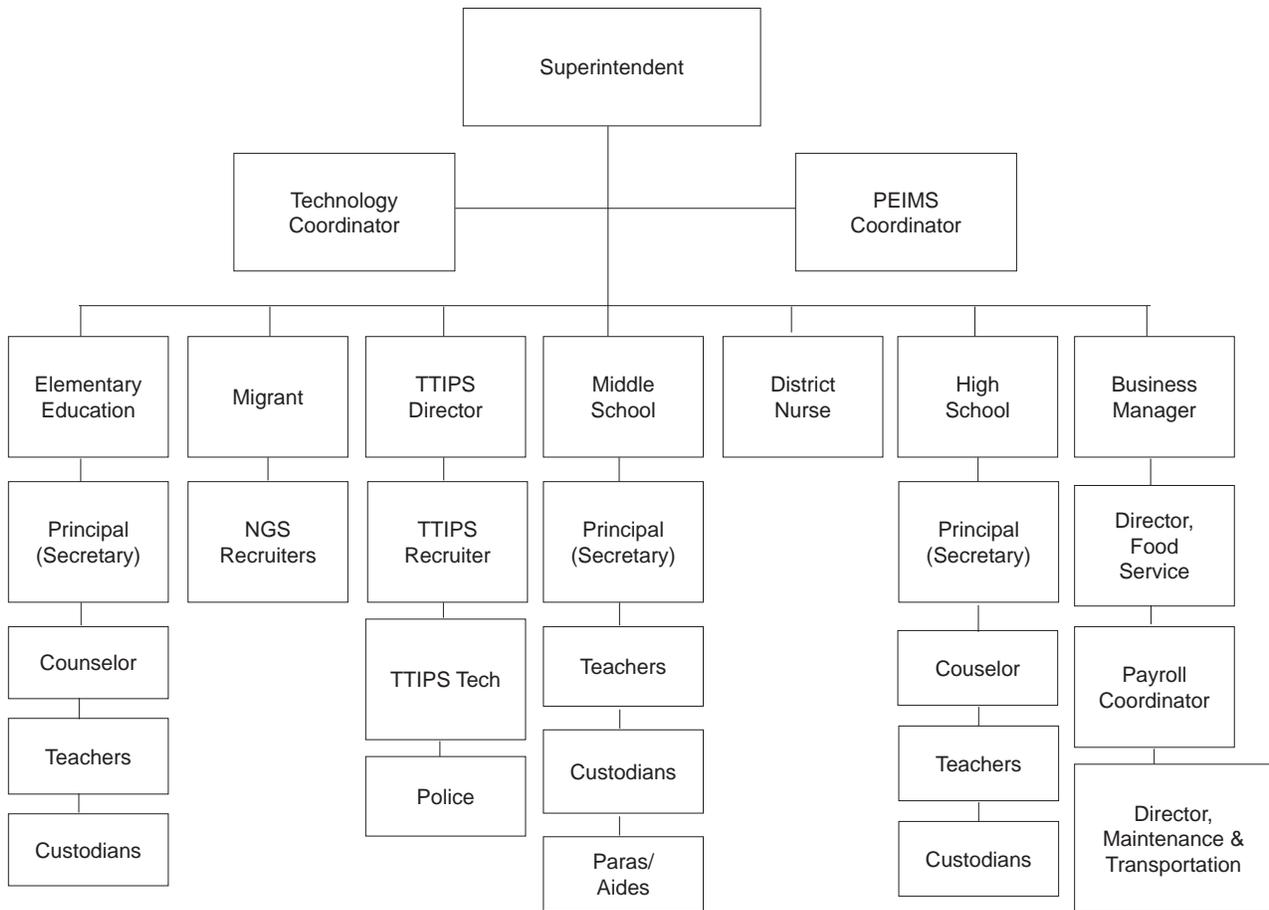
SOURCE: Santa Maria ISD administration, October 2011.

prior to the site visit of October 3–7, 2011, with an agenda that included discussion and approval of a recommendation for employment of a high school principal. That meeting was canceled on Monday, September 26, 2011. Approximately three working days after the site visit, on October 12, 2011, the board met and approved the employment of a new high school principal and the reassignment of the then current high school principal. The current elementary and middle school principals were hired during the summer of 2011. In addition, the business manager was employed in spring 2011 and the interim superintendent received a contract in July 2011 making all cabinet level leadership positions new for 2011–12.

Finally, in November 2011, the district contracted for a consultant to conduct a superintendent search. After much thought, the current interim superintendent opted not to apply for the position positioning the district for new leadership.

FINDINGS

- Santa Maria ISD lacks a long-range strategic plan designed to provide direction in meeting district programmatic and operational needs.

- Santa Maria ISD does not have a well-timed district and campus planning cycle to ensure budget support

and timely implementation of goals, objectives, and strategies for the TEA required annual plans.

- Santa Maria ISD's board lacks a systemic process for setting superintendent goals and establishing a superintendent evaluation process.

- Santa Maria ISD's board lacks a standard operating procedure or an official policy providing guidance for hiring a full-time superintendent/interim.

- While Santa Maria ISD has two TEA academic consultants assigned to the district, the district lacks a systematic process to provide direction to campus principals to implement, monitor, and evaluate practices for improvement of student achievement.

- Santa Maria ISD lacks a process for consistently posting notices of school board meetings on the district website, as required by policy BE (LEGAL) to ensure that community members have the opportunity to be knowledgeable about district business by attending district board meetings.

- Santa Maria ISD board of trustees lacks a procedure for ensuring a board member's attendance at board meetings to guarantee members are informed on issues related to district operations.

- The district lacks board member protocols to ensure members operate as a team and make decisions based on the needs of the district.

- Santa Maria ISD lacks an evaluation process that ensures legal costs to the district are at an efficient level.

RECOMMENDATIONS

- **Recommendation 1: Develop a three- to five-year comprehensive strategic plan to guide the district in the implementation of programs designed to improve student achievement and other issues identified in this report.**

- **Recommendation 2: Create written procedure for the development of district and campus plans for board approval prior to budgeting of each school year.**

- **Recommendation 3: Develop a set of annual goals and an evaluation instrument for the superintendent position.**

- **Recommendation 4: Schedule a facilitated workshop to discuss and collaboratively develop a process and timeline for identifying the search procedure for placing a permanent superintendent.**

- **Recommendation 5: Develop a systemic plan for district and campus leaders to meet and collaborate to ensure consistent leadership across campuses and to focus on improvement in student performance.**

- **Recommendation 6: Create a process and timeline for the posting of agenda notices on the district website.**

- **Recommendation 7: Develop board of trustee standard operating procedures that include a requirement for board members to attend all board meetings unless there are extenuating circumstances.**

- **Recommendation 8: Develop a plan to participate in intense workshops on role and responsibility of the board and superintendent to ensure all stakeholders have a positive perception of the board's actions.**

- **Recommendation 9: Conduct a legal services evaluation that includes carefully analyzing the type of legal work conducted, assessing the need for the services, and reviewing potential options for reducing the legal expenditures.**

DETAILED FINDINGS

STRATEGIC PLAN (REC. 1)

Santa Maria ISD lacks a long-range strategic plan designed to provide direction in meeting district programmatic and operational needs.

Interviews by the review team with board members, administrators, and staff indicate inefficiencies in the areas of student achievement, facilities, and transportation. While the district has policies for developing TEA required district and campus plans, there is no procedure or practice for developing a long range strategic plan from which annual required district and campus plans evolve.

District documents reveal the lack of a needs assessment process or a long-range plan for addressing the perceived needs of the district's academic and operational programs. Interviews further revealed that there is no evidence of a

comprehensive process beginning with the board and interim superintendent identifying short- or long-range priorities and a group of stakeholders creating goals and objectives to ensure the priorities are addressed. The following chapters of this report related to educational service delivery, transportation, facilities, human resources, and technology reflect evidence of needs in many instructional and functional areas in the district.

Without a long-range plan there is no assurance that long-term priorities will be identified and addressed on an annual basis. It is imperative that a district engage in immediate and extensive planning for the improvement of student achievement.

The basic steps of the strategic planning process include information gathering and analysis, identification of critical issues facing the organization, development or review of belief statements, mission and vision, the development of priorities, goals and objectives, and a plan for monitoring and evaluating the plan. A comprehensive planning process will ensure agreement on district direction, use of resources, and goals for central office staff, principals, and campus staff.

The University of Wisconsin states that the primary motive for any organization to do strategic planning is to learn about its needs and make decisions about the future of the organization based on those needs. Strategic planning is a partnership between the board and staff with both groups participating in the planning process and providing insights and information. In addition to providing input into the plan it is the role of the board to approve the plan. The following are reasons for an organization to initiate a strategic planning process:

- Bringing everyone together in the organization so that they are on the same wavelength;

- Raising board members' awareness of current issues and operations;

- Reawakening and motivate key people within the organization;

- Increase morale within an organization and develop a sense of trust and cohesion; and

- Serving as a tool for decision making and resource allocation.

The associate vice president of facilities planning and management of Iowa State University offers the following as benefits of strategic planning:

- Forcing a look into the future and thereby providing an opportunity to influence the future or assume a proactive posture;

- Providing better awareness of future needs and issues;

- Helping define overall mission of the organization and focusing on the goals and objectives;

- Providing a sense of direction, continuity, and effective staffing and leadership; and

- Including everyone in the system and providing standards of accountability for people, programs, and allocated resources.

According to practicing strategic planning facilitators at Regional Education Service Center XIII (Region 13), the common components of a school district strategic plan include a comprehensive, collaborative review and design of value statements; mission statements; vision statements; purpose statements; and needs assessments which involve reviewing strengths, weaknesses, opportunities, and threats (SWOT). Based on that review and/or design the strategic plan also includes goals; objectives, strategies, resources, timelines, and evaluations.

Santa Maria ISD should develop a three- to five-year comprehensive strategic plan to guide the district in implementation of programs designed to improve student achievement and other issues identified in this report. In addition to addressing these identified needs, the planning process should align all state and federal requirements resulting from being academically unacceptable with both the state and federal accountability systems.

The district should immediately begin the following:

- Identify a group of district stakeholders led by the superintendent to create a timeline for the strategic planning process, identify the participants, and facilitate the logistics process;

- Identify an external facilitator to facilitate all components of the planning process;

- Identify a district steering committee representing all of the stakeholder groups, including parents, students, community members, business members, central office staff, campus administrators, and

teachers/counselors/students to identify the overall direction, values, mission, vision, purpose, and goals. This committee should include any assigned state or federal service providers as committee members to ensure that all requirements are being met during the planning process and sustained in the future;

- Identify an action planning committee, consisting of Santa Maria ISD staff and assigned state or federal providers to write objectives, create strategies, identify resources, create strategy timelines, and design evaluation plans;

- Ensure that the plan is written, provided to the public for input, and ultimately posted on the district website; and

- Ensure appropriate components of the plan are incorporated into the annual district and campus plans and any supplemental state or federal required plans and the requirements of the Santa Maria Middle School TTIPS Grant.

The planning process described would be a one-time cost of approximately $10,000 using two facilitators over a five day period. This training also includes a three hour board training during which the board identifies the district priorities to be embedded in the strategic plan. Several regional education service centers provide this service. Both Region 13 and Region 20 provide the service for a fee of $10,000 for a district the size of Santa Maria ISD.

The district can implement this recommendation with an outside facilitator for approximately $10,000.

DISTRICT/CAMPUS PLANNING CYCLE (REC. 2)

Santa Maria ISD does not have a well-timed district and campus planning cycle to ensure budget support and timely implementation of goals, objectives, and strategies for the TEA required annual plans.

A review of district policies and interviews with staff indicate the lack of a document outlining the requirements of the district/campus planning process. While the board has adopted three planning policies (BQ (LEGAL), BQA (LEGAL), and BQB (LEGAL)), those policies relate to the general planning and decision-making expectations of the state and do not provide specific guidance to staff. Interviews with the superintendent indicated that the last district plan was developed in 2008–09. The superintendent stated that he was beginning to coordinate the work for development of

the district and campus plans for 2011–12. In addition, Santa Maria ISD does not have a written process or timeline for a district or campus planning cycle.

During the review team's onsite visit, the district scheduled its first meeting to begin the process of creating and updating the DIP and CIPs. The district was apparently not only behind in the development of the plans but in seeking board approval for such plans to ensure that the board had delegated funding for any strategies within the plans that would require adequate monies be provided to implement programs or operational systems needed by the district for making improvements.

As previously mentioned, the district and all three campuses have missed AYP in 2010–11. In addition, Santa Maria Middle School is currently in Stage One of AYP and Tony Gonzalez Elementary and Santa Maria High School are in danger of missing AYP in the coming school year and being placed in Stage One. In addition to the academic status of the district, the increased instructional rigor resulting from the change in the state testing system from TAKS to STAAR and End of Course (EOC) exams results in a sense of greater urgency for a plan for teachers that are trained to understand and teach to the higher expectations for student achievement. Because plans are being developed and approved in Santa Maria ISD in October and November of the current school year, important instructional time has been lost. In addition, because the budget was approved during the summer of 2011, there is no insurance that the budget can support the strategies planned for the upcoming school year.

This district and campus planning process must align with all state and federal requirements currently assigned to the district and/or individual campuses including the required Santa Maria ISD Student Achievement Improvement Plan (SAIP). Section I of the SAIP states that the areas of low performance for not meeting 2010 state standards were the areas of Reading/ELA and Math for all students, Hispanic, and economically disadvantaged. It further states that Tony Gonzalez Elementary was unacceptable in both reading and math for all three subgroups and Santa Maria Middle School was unacceptable in reading for all three subgroups. Santa Maria High School met required improvement for math with the economically disadvantaged subgroup; otherwise they would have been "unacceptable" in math in 2010. The plan states that in 2011–12 each campus in the district will administer curriculum-based assessments at the end of each grading period and will administer a STAAR based benchmark for grades 3 through 9 and a TAKS based

benchmark. The benchmarks will be administered twice before the state assessments are administered. It further states that administrators and teachers will disaggregate data to improve teaching and learning, and to increase student performance results. The following strategies are included as a required part of the SAIP:

- Create a district walk-through form and train administrators on conducting effective walk-through.

- Train all teachers on the use of Data Management for Assessment and Curriculum (DMAC) and disaggregation methodology.

- Meetings with principals and teachers after school for one hour a week to plan and share best practices for improving student performance.

- Utilize strategies including RtI, flexible scheduling, individual student profiles, targeted tutoring and STAAR and TAKS academies/blitzes.

- Identify appropriate interventions for students.

- Support districtwide luncheons during the year to address district climate.

- Conduct parent surveys.

Many districts begin the district and campus planning process in the spring prior to the school year being planned to ensure the implementation of the SAIP and ultimately an improvement in student performance. Typically, the Board of Trustees and superintendent set priorities/goals for the district at a goal setting meeting following the superintendent's evaluation in December or January. If a strategic plan is in place, the Board of Trustees and superintendent review the strategic plan for the coming school year and apply or modify the strategic goals as appropriate. The priorities identified during the Team of Eight planning session drive the development of the district plan in February and March, which consequently drives the development of campus plans in April and May. This process ensures that all plans are in draft form by the end of the school year and that strategy implementation resources are included in the budget taken to the Board of Trustees for approval in July/August. When the results of the Academic Excellence Indicator System (AEIS) and AYP results are available later in the summer, the goals/objectives directly related to student performance are reviewed and modified at the beginning of the school year. This schedule allows principals to present the district and campus plans to campus staff during the initial days of school to ensure that all staff begin the school year with a unified direction for the campus and that planned strategies are implemented immediately.

Santa Maria ISD should create a written procedure for the development of district and campus plans for board approval prior to budgeting of each school year. The following is a timeline for implementation:

- District improvement committee develops a schedule to ensure that the planning cycle provides for district and campus plans to be presented to the board of trustees prior to the final budget approval process;

- Board of trustees and superintendent create annual district priorities in January;

- District improvement committee and the superintendent conduct a needs assessment and develop a district plan that reflects the board of trustees/superintendent priorities/goals and any state/ federal requirements during February and March;

- Board of trustees approves the district improvement plan during March meeting;

- Principals provide the district improvement plan to the campus improvement committees for the campus improvement plan needs assessment and development in April and May;

- Board of trustees approve campus plans in June;

- Resources needed for implementation are considered and approved during the budget process;

- District and campus improvement committees review AEIS and AYP results and modify student performance goals/objectives to reflect annual needs and requirements of state/federal improvement plans;

- District plan is presented to staff during the superintendent's beginning of the year orientation meeting with all staff; and

- Campus plans are presented to campus staff at campus faculty meetings during the opening week of school.

This recommendation can be implemented with existing resources.

SUPERINTENDENT EVALUATION PROCESS (REC. 3)

The Santa Maria ISD board lacks a systemic process for setting superintendent goals and establishing a superintendent evaluation process.

The interim superintendent is serving the district under a 12-month contract as interim superintendent beginning in July 2011. Interviews with the superintendent and the board members indicate that the board and superintendent have not collaboratively established written goals for the superintendent's performance or provided the interim superintendent with a plan for evaluation during or at the end of the contract. The board president indicated that initially the board had planned to evaluate the superintendent in December or January; however, the current plan is to give the superintendent more time before a formative evaluation is conducted. Interviews with other board members indicate that they are unsure of the existence of an evaluation plan and agreed that initially they discussed an evaluation around December or January, but there was no written plan or board decision when the evaluation would be conducted or what instrument or format would be utilized. The interim superintendent agreed that there had been some early discussion about a formative evaluation mid-contract year; however, he was not aware of a plan nor had he seen an evaluation instrument. There appears to be confusion about the process for evaluating the interim superintendent and lack of a plan to do so. Board members and the interim superintendent agreed that, in addition to no clearly stated evaluation plan, there had been no formal performance goals set for the interim superintendent; however, some board members stated that informal conversations suggested that focus be discipline, student performance, and climate. A review of the superintendent's contract, board agendas, and board minutes do not reveal an agenda item or a work session focusing on superintendent goals and/or evaluation.

A review of board policies indicate that SMISD board adopted policy BJCD (LEGAL) which states that the board shall appraise the superintendent using either the Commissioner's recommended appraisal process and criteria provided in BJCD (Exhibit) or a process and performance criteria that were a) developed by Santa Maria ISD in consultation with the district and campus-level committees and b) adopted by the board. Policy BJCD (LOCAL) states that the board will evaluate the superintendent using the Superintendent's job description and performance goals which were adopted by the board. However, there is no evidence that the local evaluation process mentioned in this local policy was developed by the district in consultation with the district- and campus-level committees required by BJCD (LEGAL). Lack of clear policy direction causes confusion related to goal setting and performance evaluation for the interim superintendent.

Given the serious consequences assigned to the district as a result of state and federal student performance accountability systems, the district lacks clear programmatic and financial direction. This type of direction is often a collaborative and unanimous direction by the board of trustees and the superintendent that is clearly articulated in written goals and processes for evaluating the leadership regarding such goals. The lack of a goal-setting process for the superintendent puts the district at risk of a lack of focus and unachieved goals, which may impact student achievement. In addition, the lack of leadership and direction for campus administrators and staff by central office may increase the district's vulnerability to continued state and federal negative consequences and lessen the opportunities for improved student performance.

In a publication by the Texas Association of School Boards (TASB), *Evaluation as a tool: developing a goals-based superintendent evaluation system*, typically the board and superintendent have approved certain goals for the district—whether they are broad, comprehensive, long-term goals, or the annual goals tied to the AEIS, or some combination of the two. TASB suggests that a simple way to develop superintendent goals for a superintendent evaluation instrument is to take the list of district goals and ask the superintendent to respond to two questions about each goal:

- What's going to change in the district over the next evaluation cycle as a consequence of our having this goal?

- How will we know that the change is succeeding in helping us fulfill the goal?

The board and superintendent then discuss, and, if necessary, modify the responses—so that all feel comfortable that the proposal is appropriate to district needs—and they develop a goal statement for the evaluation instrument. Moving to a goals-based system creates a system where the evaluation of the superintendent is an extension of the district planning process.

A review of the procedures for appraisal of the superintendent recommended by the commissioner of education in the Texas Administrative Code 150.1022 provides the following domains and descriptors to use for determining superintendent success:

- Instructional management;

- School or organization morale;

- School or organization improvement;

- Personnel management;

- Management (administrative, fiscal, and facilities);

- Student management;

- School or community relations;

- Professional growth and development;

- Academic excellence indicators and campus performance objectives; and

- Board of trustees relations.

The TASB Leadership Team Services Division authors a publication for new board members; *A New Board member's Guide to Superintendent Evaluation*, states that one of the board of trustees' chief responsibilities is to make sure the superintendent is performing duties effectively and is moving the district forward to the achievement of its goals. TASB agrees with the commissioner's recommended rules for superintendent evaluation. TASB also recommends a three part process that includes a superintendent goal setting activity, at least one formative evaluation during the evaluation process, and a final summative evaluation, which includes a written evaluation prepared collaboratively by the board and shared with the superintendent.

The Santa Maria ISD board should develop a set of annual goals and an evaluation instrument for the superintendent position.

This recommendation can be implemented with existing resources.

HIRING A PERMANENT SUPERINTENDENT (REC. 4)

Santa Maria ISD's board lacks a standard operating procedure or an official policy providing guidance for hiring a full-time superintendent/interim.

It appears that the district's board does not have a process to evaluate a superintendent/interim candidate's credentials, experience, and training prior to hiring an individual for the role.

Review of district documents and interviews with board members and the current interim superintendent indicate that the board did not utilize a formal evaluation process for identifying the last two interim superintendents nor the current November 2011 superintendent search. A review of the January 10, 2011, board minutes indicates that there were four items on the consent agenda, four items listed as

approval of discussion items and an executive session listed as a closed meeting for personnel matters. The personnel matters included the suspension of the superintendent of schools and the appointment of an interim superintendent. The minutes state that the board president called the meeting to order at 6:30 PM and the board went into executive session immediately at 6:33 PM, with none of the eight agenda items listed on the agenda were discussed. All seven board members were present and attended the executive session. The minutes indicate that the board returned from executive session at 6:36 PM, voted to suspend the superintendent, Dr. Wilma Smetter, and hire the interim superintendent, Dr. Jose Gonzales. Five board members voted to suspend the superintendent and two board members voted against the suspension, the hiring of interim superintendent received a unanimous vote by the board. The minutes state that the meeting was adjourned at 6:37 PM, lasting a total of seven minutes. Interviews with board members and a review of previous board minutes did not reveal a previous discussion item or executive session to officially discuss a process for or the acts of identifying criteria, recruiting, and interviewing an interim superintendent.

The official minutes of the board meeting of June 27, 2011, indicate that the meeting was called to order at 2:05 PM at the Santa Maria ISD office. There were two action items, including (1) discussion and possible action to appoint a new interim superintendent and (2) discussion and possible action to advertise and accept proposals and bids for work on the HVAC system at Santa Maria Middle School. The minutes reveal that four of the seven board members were present:

- Mrs. Consuelo De La Rosa, President

- Mr. Jose Gonzales, Vice-President

- Mr. Leonardo Martinez, Secretary

- Mr. Miguel Zavala, Member

The three board members absent were:
- Mrs. Melissa Aleman, Member

- Mr. Noe Aleman, Member

- Mr. Oscar Saldivar Jr., Member

The meeting lasted approximately 11 minutes, with the official minutes showing that the meeting was adjourned at 2:16 PM. Both agenda items were unanimously approved by the four members present at the meeting, including the hiring of interim superintendent Mr. Martin Cuellar. Again

a review of previous minutes did not reveal discussion or action items related to a process for identifying criteria, recruiting, or interviewing an interim superintendent.

In both cases board members indicated that there was no official discussion of a procedure for determining the process for recruiting or hiring a superintendent, but that one or more of the board members knew the individuals, contacted them, and then, at an official board meeting, recommended the individuals as interim superintendents.

While there are no specific written procedures for the hiring of a superintendent or interim superintendent, board policy DAB (LOCAL) outlines the objective hiring criteria for all personnel decisions. It states that the district will consider:

- Academic or technology preparation supported by transcripts;
- Proper certification . . . for the assignment;
- Experience;
- Recommendations and references;
- Appraisals and other performance evaluations; and
- Needs of the district.

It appears that the hiring criteria required was not followed during the brief official meetings convened for the hiring of the two interim superintendents hired since the suspension of the previous superintendent. As stated above, the first official meeting lasted approximately seven minutes, including a three minute executive session to discuss the hiring of the interim superintendent, and the second official meeting was in open session and lasted eleven minutes which included the approval of two action items. The minutes do not indicate any discussion, during open session, of the criteria for personnel decisions required in DAB (LOCAL).

In addition, interviews with board members and a review of board minutes for the past eighteen months since the suspension of the previous full-time superintendent there has been no official discussion of a process or criteria for employing a full-time superintendent. In November 2011, the district began a new search for a permanent superintendent and again did not employ any detailed criteria as to the credentials or expectations for the new superintendent position.

A review of district documents and policies indicate that the board does not have a standard operating procedure or an official policy providing guidance for hiring an interim or full-time superintendent. During interviews with all board members and the interim superintendent it was evident that there have been no official conversations about identifying a process and timeline for the placement of a full-time superintendent. Board members further reported that they had not provided the previous interim superintendent of six months goals or conducted an evaluation; however, board members had evaluated previous full-time superintendents.

As reflected in this chapter and those following, the district has many serious academic, human resource, finance, facility, and transportation issues needing immediate attention. The identification of a superintendent with appropriate credentials, training, and experience in all areas of concern is imperative for the welfare of the district and its students.

According to the Texas Education Code (TEC) a major responsibility of the board of trustees is to hire and appraise the superintendent of schools. TASB, on its executive search services website, states the recruiting and selecting of a successful superintendent/chief executive officer (CEO), is a process that takes time and expertise and is one of the most important responsibilities an organization will undertake. TASB states that the search process is intensive, requiring commitment of time and experience. They recommend the following steps when conducting a superintendent search:

- Establish and communicate procedures and calendar of events;
- Develop realistic budget;
- Determine qualifications and characteristics;
- Advertise and recruit;
- Conduct initial and final interviews;
- Negotiate employment contract;
- Coordinate site visit;
- Hire; and
- Plan for leadership transition.

The Michigan Association of School Boards (MASB) recommends similar but more comprehensive steps for the superintendent hiring process. MASB believes the district or search consultant firm's process should include the following steps:

- Preparation
  ◦ establish timeline customized to your district's specific needs

- ◦ solicit staff and community input

- ◦ develop selection criteria

- ◦ develop interview questions and evaluation instruments

- • Recruitment
  - ◦ design, print and distribute a brochure describing district community and position

  - ◦ post vacancy notices through state and national channels

  - ◦ advertise vacancy in education publications

  - ◦ exposure on the internet

  - ◦ solicit applications for position

- • Board Leadership
  - ◦ resume review/screening

  - ◦ effective group interviews

  - ◦ telephone reference checks

  - ◦ district visitation

  - ◦ team decision-making

Many districts in Texas utilize a search consultant or search consultant firm to assist in the recruitment and hiring of the superintendent or interim superintendent to ensure that the search is comprehensive, legal, and ensures the best possible match of candidate to district needs. While Santa Maria did employ a consultant for the district's November 2011 search, it appears that the district did not spend much time deliberating with a quorum of the board as to what credentials the board should ensure the newly hired superintendent search consultant should use. Additionally, according to a board member, while a meeting was called to decide on a consultant for the superintendent search, a quorum of the board was not present to decide on the selection of a representative/consultant for the superintendent search, nor a detailed list of agreed upon credentials to use regarding the selected candidates should have.

The Santa Maria ISD board of trustees should schedule a facilitated workshop to discuss and collaboratively develop a process and timeline for identifying the search procedure when placing a permanent superintendent. The board should identify an outside facilitator to design and conduct a workshop which would provide facilitated discussion around

the steps identified above and the board's plan for ensuring the steps are a part of the search process. Special attention should be given to the development of the desired profile for the superintendent position based on the issues present in the district at the time a superintendent search is needed.

Contracting for a facilitator should be a one-time-cost of approximately $700. This recommendation can be implemented with funds the board sets aside from the board training budget.

FOCUSING ON STUDENT PERFORMANCE (REC. 5)

While Santa Maria ISD has two TEA academic consultants assigned to the district, the district however still lacks a systematic process to provide direction to campus principals to implement, monitor, and evaluate practices for improvement of student achievement.

Interviews with administrators and a review of documents reveal a lack of administrative planning and collaborative focus on student performance. As previously stated, Santa Maria ISD has had significant change in leadership over the decade. At the beginning of 2011–12 the district was in the process of developing a required Student Achievement Improvement Plan (SAIP) to specifically address the standards in Reading/ELA and math identified by the state and federal accountability plans due to campuses that fail to meet acceptable accountability ratings or fail to meet Adequate Yearly Progress (AYP) standards.

A review of documents and interviews with administrators indicate that there is no leadership planning process and leadership does not meet on a regular basis to collaboratively plan and share information. Interviews indicated that at the time of the site visit in October there had been no formal orientation process to ensure that administrators work as a team to understand policies, procedures, and institutional practices. At the time of the review team's site visit, it was reported that there had been two formal principal meetings to discuss day-to-day issues. There had not been an opportunity for leadership to meet together for lengthy reviews of student data, interpretations of discipline handbooks, methods of distributing campus resources, and other instructional/operational issues. Additionally, time was not provided by district leadership to create a timeline for district and campus planning and discuss the district procedures for developing the plans.

If the leadership team does not aggressively meet to discuss and design immediate and coordinated interventions at all

three campuses these campuses may continue to be academically unacceptable.

Many districts incorporate leadership retreats during the summer and regular mini-retreat days during the school year. This type of activity ensures that all principals are "on the same page" and that there is consistency and continuity across a district.

A publication by the Broad Foundation, *Turning Around the Nation's Lowest-Performing Schools: Five Steps Districts Can Take to Improve Their Chances of Success (January 2011)*, states that one of the overarching reasons for the uneven results of turning around low performing schools and districts is that districts generally have failed to recognize that persistently low-performing schools face unique challenges that require aggressive, customized, and sustained interventions. The report states that successful school turnaround also requires district turn-around—fundamental changes in the way that districts think about providing support for schools. The Broad report provides five collaborative steps that district leadership can take in designing and implementing their school improvement programs to increase the probability that their efforts will achieve lasting improvement. As a district team, districts must:

- Understand what each school needs by evaluating the needs of current and incoming students and whether the principal and the teachers in the school have the skills required to address student needs, and assess school practices.

- Quantify what each school gets and how it is used by identifying all resources currently available to each school and using those resources to improve instructional quality and meet individual student needs.

- Invest in the most important changes first by aggressively targeting those challenges that make persistently low-performing schools different from other schools and provide the additional resources and support that each school needs to overcome the challenges. Key priorities are to ensure strong school leadership and teachers who collectively have the skills to meet the student needs.

- Customize the strategy to the school by being thoughtful in tailoring the intervention strategy to each school's most pressing and critical needs.

- Change the district, not just the schools by reviewing the underlying system-wide structures.

The superintendent should develop a systemic plan for district and campus leaders to meet and collaborate to ensure consistent leadership across campuses and to focus on improvement in student performance. In the case of Santa Maria ISD it is essential that campus and district leaders meet regularly to collaborate about the efforts being implemented to address all of the issues in this report, but most importantly, student performance. The newness of the leadership team requires special attention to collaboration and an understanding of the needs of all three campuses.

In a district the size of Santa Maria ISD, principals are important members of the district team and their collaborative input is important to the implementation of the strategies suggested by the Broad report. It is the responsibility of the superintendent to ensure the time and resources required for principals to participate in collaboration.

This recommendation can be implemented with existing resources.

POSTING BOARD OF TRUSTEES DOCUMENTS (REC. 6)

Santa Maria ISD lacks a process for consistently posting notices of school board meetings on the district website, as required by policy BE (LEGAL) to ensure that community members have the opportunity to be knowledgeable about district business by attending district board meetings.

The secretary to the superintendent prepares notices of board meetings and workshops and posts them in a district facility on the grounds of the central office at least 72 hours prior to the board meeting as required by policy. The district also posts the agendas on the district website, but does not have a process to ensure that the notice is posted regularly. A review of notices, minutes, and the website, as shown in **Exhibit 1–3**, revealed that of the 38 board meetings and workshops, subsequent to the practice of posting notices on the website, 17 notices were posted, six of the posted notices did not include dates, and 21 of the board meetings and/or workshops were not posted on the website creating a situation in that over half of the notices were not posted on the website. Of the 21 meetings not posted, at least six were special called meetings suggesting that the agenda items were not routine and as such may be of immediate interest to constituents.

EXHIBIT 1–3
NOTICES POSTED ON THE SANTA MARIA ISD WEBSITE
2010–11

DATE	POSTED ON WEBSITE	DATE	POSTED ON WEBSITE
September 8, 2010 Building Committee	Posted On Website No Date	June 27, 2011 Special Called	Posted on Website
September 13, 2010	Posted on Website No Date	July 11, 2011 Board Meeting	Posted on Website
October 4, 2010 Building Committee	Posted on Website No Date	July 13, 2011 Building Committee	Not Posted on Website
October 11, 2010 Board Meeting	Posted on Website No Date	July 22, 2011 Special Called	Not Posted on Website
October 11, 2010	Posted on Website No Date	August 1, 2011 Policy Committee	Not Posted on Website
November 15, 2010 Special Meeting (Unsigned)	Posted on Website No Date	August 2, 2011 Special Called	Not Posted on Website
November 22, 2010 Special Called (Unsigned)	Posted on Website	August 8, 2011 Board Meeting	Not Posted on Website
December 1, 2010 Team Building Workshop (Unsigned)	Posted on Website	August 8, 2011 Building Committee	Not Posted on Website
December 13, 2010 AEIS Hearing (Unsigned)	Not Posted on Website	August 18, 2011 Finance Committee	Not Posted on Website
January 10, 2011 Board Meeting	Posted on Website	August 18, 2011 Special Called	Not Posted on Website
January 10, 2011 Building Committee	Posted on Website	August 31, 2011 Board Meeting	Not Posted on Website
January 24, 2011 Building Committee Canceled	Not Posted on Website	August 31, 2011 Budget Hearing	Not posted on Website
January 31, 2011 Board Meeting	Posted on Website	September 2, 2011 Board Meeting	Not posted on Website
February 14, 2011 Board Meeting	Posted on Website	September 12, 2011 Building Committee	Not Posted on Website
March 14, 2011 Board Meeting	Posted on Website	September 12, 2011 Board Meeting	Not Posted on Website
April 4, 2011 Board Meeting	Posted on Website	September 28, 2011 Building Committee Cancelled	Not Posted on Website
May 9, 2011 Board Meeting	Posted on Website		
May 19, 2011 Board Meeting	Posted on Website		
May 26, 2011 Special Called	Not Posted on Website		
June 6, 2011 Board Meeting	Not Posted on Website		

SOURCE: Santa Maria ISD website, 2011.

Board Policy BE (LEGAL) requires that:

Notice of a Board meeting shall be posted on a bulletin board at a place convenient to the public in the central administration office for at least 72 hours before the scheduled time of the meeting. The notice posted at another Board-designated place shall at all times be readily accessible to the public for at least 72 hours before the scheduled time of the meeting.

Texas Government Code 551.051.

Policy BE (LEGAL) further states that:

If the District maintains an Internet Website, in addition to the other place at which notice is required to be posted, the Board must also concurrently post notice of a meeting on the Internet Site.

Texas Government Code 551.056

Posting of notices of meetings and workshops ensure that citizens have access to district business and can determine whether they want to attend the meeting to observe the business or to provide public comment according to board policies BED (LEGAL) and BED (LOCAL). Both policies provide opportunities and procedures for citizens to make public comment and the board "may not discriminate between speakers on the basis of the content of their speech or the message it conveys." **Exhibit 1–3** provides a list of board agenda notices posted on the Santa Maria ISD website for 2010–11. As the exhibit indicates there is no consistent pattern of notices being posted.

Given the state and federal academic status of the district and campuses and the significant leadership changes in the district, the board should provide as many opportunities as possible for citizens to provide information and offer opportunities to receive input about the school system. The more knowledgeable the citizens of Santa Maria are about the circumstances of the school district and plans to impact changes in those circumstances increases the possibility of support for the school district by the general public.

The district should post all Board of Trustees meeting and workshop agendas in a timely manner, per Policy BE (LEGAL), to ensure adequate notification is provided to all interested parties. The superintendent should ensure that the staff members responsible for posting the agendas receive immediate training in the policies related to creating and posting notices for board meetings. The superintendent should review the policies with appropriate staff and develop a timeline for posting in district buildings and on the website. Navarro ISD, a small district located in Geronimo, Texas, follows a process that ensures timely posting of notices, agendas, and the agenda packets to ensure total board transparency within the community.

This recommendation can be implemented with existing resources.

BOARD MEMBER ATTENDANCE AT BOARD MEETINGS (REC. 7)

Santa Maria ISD board of trustees lacks a procedure for ensuring a board member's attendance at board meetings to guarantee members are informed on issues related to district operations.

Interviews by the review team with board members and an examination of the board of trustee meeting minutes reveals that Santa Maria ISD does not routinely have all board members present during board meetings or workshops. A review of board agenda notices and minutes, where available, from November 9, 2009, through August 31, 2011, showed that of the 33 meetings for which minutes were available, there were eleven meetings with all board members present and 22 meetings where from one to three members were absent. Further, seven of the 22 meetings indicate that only four members were present. **Exhibit 1–4** reflects the numbers of board members present at the meetings for which minutes are available.

Lack of consistent attendance at board meetings decreases board members' understanding of current district conditions and the issues surrounding them. A lack of comprehensive understanding for the reason(s) the superintendent is making recommendations on the agenda items decreases a board member's ability to make an informed vote on agenda items. This is particularly important in Santa Maria ISD given the urgent academic standing of the district and other operational needs outlined in other chapters of this report. It is essential that the board focus on making decisions that will support the district.

For example, from the time of the interim superintendent's appointment in July through the district review team's site visit in October, the superintendent made important personnel recommendations that required board approval. During that time there was not one instance recorded in the minutes provided where all board members were present. In fact, there were only four members present during half of the six meetings. Lack of participation in board meetings may signal sincere concern for the district or a focus on moving the district forward.

EXHIBIT 1–4
BOARD OF TRUSTEES MEMBER ATTENDANCE
NOVEMBER 9, 2009–AUGUST 31, 2011

DATE	MINUTES	MEMBERS ABSENT	MEMBERS PRESENT
September 8, 2010 Building Committee	Unavailable	No Record	No Record
September 13, 2010	Available	0	7
October 4, 2010 Building Committee	Unavailable	No Record	No Record
October 11, 2010	Available	0	7
October 11, 2010 First Hearing	Unavailable	0	7
November 15, 2010 Special Meeting (Unsigned)	Available	0	7
November 22, 2010 Special Called (Unsigned)	Available	No Record	No Record
December 1, 2010 Team Building Workshop (Unsigned)	Unavailable	No Record	No Record
December 13,2010 AEIS Hearing (Unsigned)	Available	0	7
January 10, 2011 Regular Board Meeting	Available	0	7
January 10, 2011 Building Committee	Unavailable	No Record	No Record
January 24, 2011 Building Committee Canceled	N/A	N/A	N/A
January 31, 2011 Board Meeting	Available—referred to as regular and special called meeting in the minutes	1	6
February 14, 2011 Board Meeting	Available	1	6
March 14, 2011 Board Meeting	Available	1	6
April 4, 2011 Board Meeting	Available	2	5
May 9, 2011 Building Committee	Available	0	7
May 19, 2011 Board Meeting	Unavailable	No Record	No Record
May 26, 2011 Special Called	Unavailable	No Record	No Record
June 6, 2011 Regular Meeting	Available	2	5
June 17, 2011 Special Called	Available—referred to as a regular and special	3	4
June 27, 2011 Special Called	Available	3	4
July 11, 2011 Board Meeting	Available	0	7
July 13, 2011 Building Committee	Unavailable	No Record	No Record
July 22, 2011 Special Called	Available	3	4
August 1, 2011 Policy Committee	Available	3	4
August 2, 2011 Special Called	Unavailable	No Record	No Record
August 8, 2011 Board Meeting	Available	2	5
August 8, 2011 Building Committee	Unavailable	No Record	No Record
August 18, 2011 Finance Committee	Unavailable	No Record	No Record
August 18, 2011 Special Called	Available—referred to as special and regular meeting in minutes	2	5
August 31, 2011 Board Meeting	Available—referred to as special and regular meeting in minutes	1	6
August 31, 2011 Budget Hearing	Available	3	4

Source: Santa Maria ISD website 2011.

The United States Environmental Protection Agency (EPA), in its publication *Guidance for Preparing Standard Operating Procedures (SOPs)*, states that standard operating procedures minimize variations of behaviors through agreed upon, consistent implementation of procedures. SOPs are a set of written procedures for behaviors which minimize the opportunity for miscommunication about organizational expectations. The purpose is to carry out the operations of an organization correctly and consistently. In a second document by the Natural Resources Management and Environment Department, the authors offer the following model for the development of SOPs:

- Identify a person responsible for the project;

- Draft the document;

- Verify the document;

- Authorize the document;

- Implement the document;

- Archive the document; and

- Monitor the implementation of the procedures.

Many districts in the state work with their education service centers to develop board standard operating procedures and routinely refer to the procedures. Some districts have them printed on the agenda for easy reference during board meetings. In addition, the SOPs are used annually during new board member local orientation such as those required in Santa Maria ISD according to BBD (LOCAL). Regions 13 and 20 provide a facilitated team building session based on the development of SOPs. In addition, Region 1 also provides a flexible team building program designed to incorporate individual district's needs in a team building format. Lytle ISD, a small school district located in Atascosa County, worked with Region 20 to develop standard operating procedures and utilize them to document board member expectations.

Townsend K–12 School District in Townsend, Montana, is a small district of approximately 750 students. The district has developed standard operating procedures for board members that are posted on the district website and may be downloaded for review at townsendps.schoolwires.com.

The board should develop standard operating procedures that include a procedure requiring all members to attend each board meeting unless extenuating circumstances exist. These procedures should be agreed upon by all board members. This procedure could include an agreement that when a board member is unable to fulfill this agreed-upon requirement, he/she must resign from the Board of Trustees.

The superintendent should initiate a process to develop board of trustees SOPs. The process should use examples of SOPs from other boards around the country and should include board member attendance at board meetings. The document should be approved at a board meeting by a unanimous vote. The superintendent should ensure that the document is archived, placed on the board of trustee webpage, and provided to appropriate individuals. The board president should monitor board operations as they relate to the SOPs.

Identifying and contracting with a facilitator to conduct a SOP development session should cost approximately $600 however, this recommendation can be implemented with the current board training budget.

COLLABORATION BETWEEN BOARD AND SUPERINTENDENT (REC. 8)

The district lacks board member protocols to ensure members operate as a team and make decisions based on the needs of the district.

Interviews with board members, administrators, and focus groups with teachers reveal that there is a general perception that the board members do not work as a team. All board members described the board as a split board and as not working as a team. There is a general thought that the election in November 2010 changed the dynamics of the board decision making process and created a board majority. It was commonly stated that the board is a split board and that the board members do not function as a team and make decisions based on the needs of the district.

Some board members do not believe that they were included in the information link and cited the decision to terminate the previous superintendent and hire the two interim superintendents as examples of that breakdown in communication. There was a perception that the "board majority" informally recruited the interim superintendents and made a decision to hire outside of a regularly called meeting.

Furthermore, there is a perception by many staff that the board micro-manages the district particularly in the area of personnel decisions. Some staff stated that all decisions are a result of political allegiance and that it is unwise to disagree, consequently, there appeared to be reluctance on the part of

staff members to be forthcoming with examples of board member micro-management. Staff stated that since the district was small they feared retaliation if it was determined that they made negative statements about board governance.

Interviews with board members and a review of board training records reveal evidence that board members regularly attend training conferences (include the Fall); however, there is little evidence of team building training or opportunities for the board to collaborate as a team.

By failing to work together on many important matters, a board reduces its effectiveness and decreases its standing in their community. Negative Board behaviors create a perception among staff that impacts staff morale and ultimately has a negative impact on students.

Effective school boards may disagree on matters before them, but always work together for the benefit of the district and do not act independently but rather as a cohesive whole, drawing from individual strengths for the collective good of the district.

The American School Board Journal provides the following characteristics of an effective board:

- Results oriented

- Knows how to conduct (participate in) a board meeting

- Appreciates school system employees

- Is fair to school system employees

- Communicates clearly and directly with the superintendent

- Expects high quality work from administrators

- Understands the meaning of "public trust"

The National School Board Journal states in an Executive Director's Column that the school board and superintendent must view themselves as leadership. It goes on to say that they should:

- Act as a complete unit

- Focus on how they can complement each other

- Acknowledge the superintendent as the CEO

- Acknowledge the board as the hiring and evaluator of the superintendent

- Create the right climate

- Provide an exciting, thriving learning environment for both teachers and students

- Develop a collaborative relationship with the community

The state of Texas recognizes the need for the board and superintendent to act as a team with an annual board training requirement for team building for the team of eight, the seven board members and the superintendent. As a part of that requirement, the team is required to participate in an annual needs assessment to determine their level of success in specific responsibility areas and to identify needed professional development needs.

The board of trustees and the superintendent should develop board member protocols that assist members in focusing their responsibilities as a body on the greater welfare of the district's students, staff and stakeholders. The board should create a plan to participate in intense workshops on role and responsibility of the board and superintendent to correct behaviors that are creating a negative perception with staff and community.

The board should treat the negative perceptions of staff as reality and develop a plan for changing the perceptions beginning with adopting public behaviors that reflect the role and responsibility of board members as described in chapter eleven of the TEC. The board should schedule a two day retreat during which they study a board/superintendent's role and responsibility, review board member code of ethics, and collaboratively develop standard operating procedures. The board and superintendent should participate in a self-assessment and create a training plan to address board training needs for 2010–11. Finally, the board and superintendent should actively participate in this retreat with a genuine desire to change their behaviors to positively improve district climate.

Most regional education service centers would facilitate this retreat for approximately $2,000. However, the recommendation can be implemented with the board's current training agenda funds.

LEGAL FEES (REC. 9)

Santa Maria ISD lacks an evaluation process that ensures legal costs to the district are at an efficient level.

A review of the 2009–10 legal fees for Santa Maria ISD and three peer districts reveal that the cost of Santa Maria ISD's legal services per student exceeds all three peer district per

student costs. **Exhibit 1–5** shows the comparison of legal fees in cost per student among the peer districts. Santa Maria ISD spends $72.07 per student, which is $13.29 more than the second ranking district, $43.91 more than the third ranking district and $71.81 more than the fourth ranking district.

Santa Maria ISD pays the school attorney a retainer to provide all legal services and includes payment for the attorney to attend all school district board meetings. During an interview with the school attorney, he stated availability to all board members, the interim superintendent, and other administrators as approved by the interim superintendent. Legal costs are charged to the general fund and may negatively impact the availability of instructional funds.

Some districts conduct formal evaluations of legal services by comparing their legal costs to peer and larger districts. Evaluations regarding a district's legal expenses may reveal internal processes that need revisions to ensure costs can be minimized. For example, upon evaluation a district can give careful consideration to the perceived need for an attorney to be present at all board meetings or the need to provide legal advice to all board members.

Ponca City Oklahoma Public School District conducted a formal evaluation of legal services and found that there is considerable variation among districts and actual dollar amounts spent and were able to make needed adjustments to their legal expenses that more closely mirrored the surrounding market's legal expenditures.

Santa Maria ISD should conduct a legal services evaluation that includes carefully analyzing the type of legal work conducted, assessing the need for the services, and reviewing potential options for reducing the legal expenditures. The district should take actions to reduce the costs of all legal services as a result of the evaluation. Currently the district is spending $48,000 annually and $240,000 over a five-year period. If the district were to use the average per student cost ($29.06) of the three peer districts it would decrease the cost from $72.07 to $29.06, a savings of $43.01($72.07 minus $29.06) per student or an annual savings of $28,645 ($43.01 x 666). Over a five-year period, the district would save $143,225.

EXHIBIT 1–5
LEGAL SERVICES EXPENDITURES
2009–10

COMPARISON DISTRICTS	LEGAL SERVICES	TOTAL STUDENTS	LEGAL SERVICES PER STUDENT	RANK
Santa Maria	**$48,000**	**666**	**$72.07**	**1**
Progreso	$130,741	2,224	$58.78	2
Presidio	$41,239	1,464	$28.16	3
Santa Rosa	$305	1,172	$0.26	4

Source: Texas Education Agency, 2009–10.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
1. Develop a three-to five-year comprehensive strategic plan to guide the district in the implementation of programs designed to improve student achievement and other issues identified in this report.	$0	$0	$0	$0	$0	$0	($10,000)
2. Create a written procedure for the development of district and campus plans for board approval prior to budgeting of each school year.	$0	$0	$0	$0	$0	$0	$0
3. Develop a set of annual goals and an evaluation instrument for the superintendent position.	$0	$0	$0	$0	$0	$0	$0
4. Schedule a facilitated workshop to discuss and collaboratively develop a process and timeline for identifying the search procedure for placing a permanent superintendent.	$0	$0	$0	$0	$0	$0	$0
5. Develop a systemic plan for district and campus leaders to meet and collaborate to ensure consistent leadership and to focus on improvement in student performance.	$0	$0	$0	$0	$0	$0	$0
6. Create a process and timeline for the posting of agenda notices on the district website.	$0	$0	$0	$0	$0	$0	$0
7. Develop board of trustee standard operating procedures that include a requirement for board members to attend all board meetings unless there are extenuating circumstances.	$0	$0	$0	$0	$0	$0	$0
8. Develop a plan to participate in intense workshops on the role and responsibility of the board and superintendent to ensure all stakeholders have a positive perception of the board's actions.	$0	$0	$0	$0	$0	$0	$0
9. Conduct a legal services evaluation that includes carefully analyzing the type of legal work conducted, assessing the need for the services, and reviewing potential options for reducing the legal expenditures.	$28,645	$28,645	$28,645	$28,645	$28,645	$143,225	$0
TOTALS CHAPTER 1	**$28,645**	**$28,645**	**$28,645**	**$28,645**	**$28,645**	**$143,225**	**($10,000)**

CHAPTER 2

EDUCATIONAL SERVICE DELIVERY

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 2. EDUCATIONAL SERVICE DELIVERY

The Santa Maria Independent School District (Santa Maria ISD) is located in a low-wealth, rurally-isolated farming community in south Texas on the United States/Mexico border. In 2009–10, Santa Maria ISD provided educational and support services to 666 students at three campuses: Tony Gonzalez Elementary (PreK–grade 5), Santa Maria Middle School (grades 6–8) and Santa Maria High School (grades 9–12).

The 2009–10 district profile as listed in the Academic Excellence Indicator System (AEIS) of the Texas Education Agency (TEA) reflects the following demographics: an enrollment of 666 students, 99.7 percent Hispanic and 0.3 percent Anglo. The instructional staff is listed as 84.8 percent Hispanic and 10.9 percent Anglo.

For 2010–11, the Regional Education Service Center 1 (Region 1) website reflects the following student demographics from the district submitted Public Education Information Management System (PEIMS): 715 students (0.74 percent annual enrollment increase from 2009–10), 99.58 percent Hispanic (712 students), 0.42 percent Anglo (three students), 95.1 percent economically disadvantaged (680), 66.7 percent at-risk (482), 43.5 percent Limited English Proficient (LEP) (311), 10.49 percent migrant (75), and 2.52 percent gifted and talented (18).

In the 2010–11 Texas Accountability System, the district earned an Academically Unacceptable rating. Both Tony Gonzalez Elementary and Santa Maria Middle School were rated Academically Unacceptable while Santa Maria High School earned an Academically Acceptable rating. Additionally, the elementary and middle schools failed to meet the Adequate Yearly Progress (AYP) standards in both Reading and Mathematics as required under the No Child Left Behind (NCLB) Act.

ACCOMPLISHMENTS

- Santa Maria ISD implements the After-school Centers on Education (ACE) Program—a morning, after school and Saturday program—to provide academic assistance and enrichment opportunities to help students meet academic standards in core subjects.

- The district extends credit recovery opportunities for migrant students through the ACE Program which allows migrant students to complete missing assignments and on-line credit accrual and recovery while still participating in extracurricular and co-curricular activities.

- The district has supplemented academic supports and enrichments for its students and their families by securing a variety of competitive grants.

FINDINGS

- The district lacks the instructional leadership, experience, and expertise needed to effectively and efficiently improve student performance.

- Santa Maria ISD lacks campus-based decision making structures and processes for curriculum and instructional planning, instructional resource allocation, and instructional budgeting to appropriately address the academic needs of its students at the campus level.

- Santa Maria ISD lacks a process that enables teachers to continuously assess areas of students' needs and identify strategies to meet those needs to improve the academic performance of students.

- Santa Maria ISD does not have a comprehensive school improvement framework to guide the instructional program and the student support services needed for educational excellence.

- The district has a high number of students in discipline related instructional options at all campuses and no specific strategy for providing supports for students with persistent misbehavior.

- The district lacks a methodology to evaluate the equal distribution of technology across all SMISD campuses in the district.

RECOMMENDATIONS

- **Recommendation 10: Create an administrative position at the district level to provide leadership**

for educational services including curriculum, instruction, assessment and special programs.

- **Recommendation 11: Develop an operational framework that focuses campus responsibility and accountability for goal setting, curriculum planning, budgeting, and resource allocation to address the instructional priorities of the district at the school site level.**

- **Recommendation 12: Establish professional learning communities at all campuses.**

- **Recommendation 13: Design and implement a comprehensive Response to Intervention (RTI) model districtwide that provides a pyramid of increasingly intensive interventions for struggling students.**

- **Recommendation 14: Implement a system-based behavioral intervention program at the elementary and middle school levels.**

- **Recommendation 15: Create a method of district-wide technology distribution to ensure a technology rich environment at all campuses.**

DETAILED ACCOMPLISHMENTS

AFTER-SCHOOL ENRICHMENT PROGRAM

Santa Maria ISD implements a morning, after school and Saturday program to provide academic assistance and enrichment opportunities to help students meet academic standards in core subjects (Reading, Math, Science, and Social Studies). The program also assists in high school graduation and preparation for the workforce.

The After-school Centers on Education (ACE) program operates two centers in Santa Maria ISD and two centers in La Villa ISD. In Santa Maria the ACE program is staffed by the project director, three teachers, eight tutors, and four volunteers. The federally funded 21st Century Community Learning Center cooperative targets high-need, high-poverty, and low-performing school districts. Academic and enrichment supports are also provided to parents and community members to assist them in improving their English language skills, completing their GED, and/or preparing for college and career. The academic support and enrichment services operated from August 23, 2010, to June 30, 2011. The *Texas ACE Program Annual Evaluation Report* reflects that 61 percent of the students enrolled in the district

participated in the program activities and that performance benchmarks were exceeded including: Classroom Management, Improved Student Behavior, Grades Improvement, Promotion Rates, College Readiness Activities, and Workforce Readiness Participation and Opportunities.

Exhibit 2–1 is a summary of the program supports, the number, and percent of students and parents served during the 2010–11 school year through the ACE program.

EXHIBIT 2–1
21ST CENTURY AFTERSCHOOL CENTER ON EDUCATION (ACE) NUMBER AND PERCENT OF PARTICIPANTS BY CAMPUS 2011

UNIT	NUMBER OF STUDENTS ENROLLED	NUMBER OF ACE STUDENTS	PERCENT OF ACE STUDENTS
Tony Gonzalez Elementary School	359	146	40
Santa Maria Middle School	187	129	68
Santa Maria High School	156	153	98
TOTALS	**702**	**428**	**61**

SOURCE: Texas ACE Program, Cycle 5 Year 3, Annual Evaluation Report, 2011.

MIGRANT STUDENT PARTICIPATION IN ACE

The district extends credit recovery opportunities for migrant students through the ACE Program which allows migrant students to complete missing assignments and on-line credit accrual and recovery while still participating in extracurricular and co-curricular activities.

Approximately 95 students in 2011–12 are classified as Migrant students and live with their parents or extended family that migrate for work in agriculture to various areas of Texas as well as other states, including Arkansas, Iowa, New York, and Washington. Migrant students generally enroll late in school in the fall, leave early in the spring, and may make several entries and withdrawals in the same academic year. Migrant students have high retention rates, poor academic records and face many challenges completing high school. As of early October 2011, nearly 60 percent of the district's migrant students are currently enrolled. The two support staff recently employed to track migrant students and recruit them for supplemental services do an excellent job of outreach to contact states where migrant students are

attending school to coordinate class schedules for the students. The follow-up is critical to avoid migrant students repeating courses already taken in their home school or courses not included in the Texas high school graduation plans.

When the migrant students enroll at Santa Maria ISD, the students and their parents are referred to the ACE program. The ACE program is available afterschool and on Saturday mornings so students are able to attend evening and Saturday tutorials to do academic "catch-up," taking make-up tests, completing class assignments and projects missed due to late enrollment, and engage in college application, resume preparation, and college financial aid applications, all with the help of certified educators and college tutors. Additionally, the ACE program allows the migrant students academic support and enrichment while permitting them time and access to extracurricular and co-curricular activities. In a small school district, extracurricular and co-curricular activities are not as extensive as larger districts so it is imperative that access is granted to all student groups. These activities are vital to an appealing college application. The district offers athletic programs in basketball, cross-country, and track for boys and girls at the middle school and high school level; and offers football for boys and volleyball for girls at those same grade levels. Academic University Interscholastic League (UIL) events are comparable to districts of similar size in the region. Migrant student participation is critical to assembling competitive teams in a school district of its size.

The director of the ACE program, a former migrant student understands and is empathetic of the academic challenges of the migrant students and works collaboratively with the migrant recruiters to offer relevant supplemental services for these youth and their families. The flexibility the ACE program offers and the intentional outreach of the ACE director and the migrant recruiters have led to an excellent service model that can be easily replicated in districts with similar challenges. ACE is a true "value-add" for migrant students and their families in this small rural community.

SUPPLEMENTAL ACCELERATION AND ENRICHMENT

The district has successfully secured competitive grants for innovative student interventions and enrichment. Santa Maria ISD has done a commendable job of applying and being approved for various competitive grants to supplement academic supports and enrichments for its students and their families through the use of an external grant writer. While the district qualifies for these competitive grants due to the low wealth of the community and the low academic performance of its students, the funds are awarded on need and quality of the application. Of the district's $6 million budget for 2011–12, nearly $2 million is from competitive grants. The beneficiaries are primarily the middle school students and staff. **Exhibit 2–2** shows a summary of the key academic support initiatives funded during 2011–12, the purpose of each initiative, the approved funding amounts, and the campus(es) eligible to access the funds. While the 21st Century ACE program is in Year 4, the TTIPS (Texas Title I Priority Schools Grant) is in Year 1 of a guaranteed 2 years' grant with possible extension, and GEAR UP (Gaining Early

EXHIBIT 2–2
COMPETITIVE GRANTS
2011–12

GRANT	PURPOSE	ALLOCATION	SITE(S)
21st Century ACE	After school academics supports & college readiness enrichments	$212,500	All Campuses
Algebra Readiness	Increase preparedness of students to meet standards & pass Algebra I assessments	$100,000	Middle School Grades 6–8
GEAR UP	Increase number of low income students prepared to enter and succeed in post- secondary education	$68,950	Middle School Grade 7
T-TIPS	To maximize the benefits of Response to Intervention model to transform school	$1.4 million	Middle School Grades 6–8

Source: District Budgets, Applications, & Award Confirmations, 2011–12.

Awareness for Readiness for Undergraduate Programs) is in year 1 of 7. The district is also eligible and has applied for other school improvement grants though no confirmation of funding had been received as of the review team's site visit.

Santa Maria ISD has benefitted from opportunities to partner with the Region 1 to develop applications for grant funding for low-performing schools. Region 1 invites underperforming campuses that meet the eligibility criteria for competitive grants to participate in grant writing technical assistance sessions. This support enabled the district to submit competitive applications for Algebra Readiness, Texas Title I Priority Schools (TTIPS), and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). In the past, the district has employed a consultant to write, submit and evaluate grant applications available through the United States Department of Education (USDE). The contract with this external grant writer and project evaluator has not been renewed for the current school year by the superintendent.

DETAILED FINDINGS

INSTRUCTIONAL LEADERSHIP (REC. 10)

The district lacks the instructional leadership, experience, and expertise needed to effectively and efficiently improve student performance.

At the time of the review team's site visit, the administrative team, including the superintendent and the elementary and middle school principals were new to their current professional positions and had been employees of the school district less than three months. It appears that these individuals do not have the experience in their current roles nor do they have the expertise to restructure and reform low performing organizations. The interim superintendent started in July 2011, the elementary and middle school principals followed in August 2011. The week following the onsite team visit to the district, a new high school principal was employed by the district on October 17, 2011. The former high school principal has been reassigned to the position of T-TIPS Grant Shepherd. The former high school principal is the only administrator in the district with experience and proven expertise in achieving high accountability ratings at the elementary and high school levels.

As previously discussed in the report, the district employed three superintendents since January 2011 and the elementary and middle schools have had four principal changes in four years while the high school has had three principals in the same four year period. Many of the professional teaching staff were terminated by the previous superintendent along with several other key professionals, including termination of the elementary and middle school principals, and reassignment of the high school principal. Interviews conducted during the site visit reflect that there are individuals in key leadership positions at the campus level who have strong background in bilingual education and special education, and administrators new to the district have earned bilingual education and special education endorsements and experience teaching different elementary grade levels. This training and experience indicate that the district may have the knowledge and commitment needed to be responsive to the educational needs of English Language Learners and special education students.

However, the district has been plagued by instability at key leadership positions. When principals and superintendents are constantly terminated or reassigned, there is no one left to hold accountable for the performance outcomes of students. During interviews of key district and campus leaders there were no answers for the state of the organization. Few records could be produced:

- no campus improvement plans;

- no Site-Based Decision Making (SBDM) meeting agendas or minutes;

- no member lists; and

- no records of grade level or campus meetings to discuss student data or plan new actions.

It is as if each campus begins anew every August with no history and no action plan. In addition, while many professional terminations occurred during the spring and summer of 2011, there was no evidence provided that those terminations occurred because of poor performance. Performance evaluations were not conducted in 2010–11 for campus administrators, leaving the staff and community to infer that terminations and reassignments are politically-motivated decisions. Unsuccessful organizational structures continue to exist and new principals have very limited authority because staff believes that the turnover will continue at that position and therefore there is little to no receptiveness to change their current structures or behaviors. In this type of school culture, the students are blamed for their poor academic performance and behavior. At one interview a campus administrator repeatedly stated that it is

the Limited English Proficient (LEP) students who caused the district's poor academic results.

There is no instructional or special program leader at the district level to create a vision and guide the implementation of a district action plan to improve student performance and to oversee the quality of services offered through special programs for students. The absence of such expertise compromises the district's ability to improve the performance of staff and the achievement of students. The district's poor academic performance, especially the poor achievement results of its special populations, may indicate that additional instructional support is needed.

Conversely, three school districts, all of comparable size and demographics have central office administrators to provide leadership and direction for the instructional program and federal/special programs. Santa Rosa ISD has two professional administrative positions, a director of Federal Programs and a Coordinator of Special Services, Presidio ISD has a Curriculum/Special Programs Director, and Lasara ISD has a Special Programs Administrator. All three of these school districts received Accountability Ratings of Academically Acceptable and met AYP.

Professional literature stresses that high performing schools have highly qualified leaders and staff. The effective schools movement investigated schools with large populations of students from disadvantaged backgrounds that were performing at average or above average rates on standardized tests and found that instructional leadership is a major aspect of effective schools. Additionally, Southwest Education Development Laboratory (SEDL), a private, nonprofit education research, development, and dissemination (RD&D) corporation whose work includes improving teaching and learning for more than 40 years, in 2011 published a list of specific leadership characteristics that facilitate school change.

The six characteristics of effective schools leadership include:

1. Know where their school system ought to be headed and why—create a vision and plan;

2. Have a clear sense of personal and organizational values and beliefs—moral responsibility;

3. Recognize that the people in the organization are its greatest strength—value human resources;

4. Possess excellent communication and listening skills;

5. Are proactive, initiate action, anticipate and recognize changes in the environment, and challenge the status quo; and

6. Willing to risk their reputations for the benefit of their students—make ethically laden decisions and encourage staff to explore options.

The district should create an administrative position at the district level to provide leadership for educational services including curriculum, instruction, assessment and special programs. The district should also develop a job description for a new administrative position at the district level with responsibility for curriculum, instruction, and special programs. The individual employed must demonstrate the characteristics identified in the research and have quality experience and expertise in curriculum and special programs; hence the district should consider an individual for this position who has a special program certification(s) and instructional supervisory experience. The district may choose to fund the position from multiple sources.

It is important that the job description for this position also match the responsibilities aligned with the functions in the *Texas Education Agency Financial Accountability System Resource Guide* under functions 13 and 21 to avoid exceeding the administrative costs (function code 41) formulas that challenge small school districts. Additionally, the job responsibilities of this new position are better aligned with the service descriptions in functions 13 and 21. As an example, function 13 is the appropriate code for "staff that research, develop innovative, new or modified instruc-tion,"and function 21 is for "instructional supervisors," and "special population or educational program coordinators or directors." This individual must work collaboratively with the campus principals to implement the district's *Student Achievement Improvement Plan* and must be the liaison with all of the district's partners in their school improvement effort. The position should also lead district efforts to disaggregate student performance data, establish a system of academic interventions, and procure consultant services in the areas of curriculum, instruction/assessment, and special programs when appropriate. All instructional and student support services should also be coordinated through this office.

Finally, clearly defined performance outcomes should be established for the newly created curriculum and special programs administrative position and should form the basis for the annual performance evaluation for this position. The

performance outcomes should be aligned with the position responsibilities included in the job description. Additionally, multi-year contracts are recommended for employment of key leadership positions, such as the superintendent, the curriculum/special programs administrator, and the campus principals. This may assist the district in recruiting and retaining highly qualified administrators with the competence and expertise to build Santa Maria ISD into an effective organization.

It is imperative that the district pay a competitive salary in order to recruit an individual with the skills and experiences to assist in the improvement of academic performance of SMISD students. Similar professional positions at peer districts and comparable-sized districts such as Lasara ISD within Santa Maria ISD's service area are displayed in **Exhibit 2–3**. The salary for 226 work days for this type of position range from $72,320 to $81,988.

EXHIBIT 2–3
SALARY COMPARISONS FOR PEER DISTRICT'S COMPARABLE POSITION, STUDENT ENROLLMENT AND RANK
2010–11

DISTRICT	SALARY	STUDENT ENROLLMENT	RANK
Lasara	$74,250	464	2
Progreso	81,988	2,227	1
Santa Maria	**59,930***	**715**	**4**
Santa Rosa	72,320	1,118	3

*Currently Santa Maria ISD's only other central administrative position beside the superintendent is the business officer.
Source: Region 1 "Staff Salaries, FTE Counts, and Enrollment Report," PEIMS, 2010-11.

The salary for this position should be comparable to the Assistant Superintendent and Business Manager positions of peer school districts and should be based on years of experience for the candidate selected. This is a critical position and the compensation and benefits must be competitive in order to attract the quality of leadership needed. The salary must exceed the salary of the campus principals, be competitive with high performing districts of comparable size and demographics, though the salary and benefits must be sufficient to attract a highly experienced administrator with a record of successful administrative experience as an instructional leader at the campus and district level.

Beginning salary for this individual should be at a minimum of $68,930 with a benefits package including all benefits currently provided to district administrators at the district level. While this proposed salary is lower than the position at peer districts, it would be in line with other key administrators in SMISD such as the superintendent's salary which is also below other superintendent salaries. **Exhibit 2–4** provides the superintendent salaries for 2010–11. Note that the Santa Maria superintendent's salary in 2010–11 was $95,000, while the current superintendent's salary is $80,000. Though superintendent salaries for 2011–12 are not public as of this date, none of the peer districts have had a change in the position since 2010–11 so no decreases in salary can be anticipated.

Exhibit 2–5 lists the 2010–11 benefits for this position.

The recommended beginning salary for this position is $68,930 plus benefits of $9,662 for a combined total of $78,592 annually. Benefits are calculated based on current year costs of the school district for professional personnel.

OPERATIONAL PROCESS (REC. 11)

Santa Maria ISD lacks campus-based decision making structures and processes for curriculum and instructional planning, instructional resource allocation, and instructional budgeting to appropriately address the academic needs of its students at the campus level.

During interviews, the superintendent, principals and teachers stated that there are currently no planning activities

EXHIBIT 2–4
SUPERINTENDENT SALARY COMPARISON
2010–11

DISTRICT	SALARY	STUDENT ENROLLMENT	RANK	2011–12
Lasara	$97,868	464	3	Not Available
Progreso	$221,088	2,227	1	Not Available
Santa Maria	**$95,000**	**715**	**4**	**$80,000**
Santa Rosa	$104,000	1,181	2	Not Available

Source: Region 1 "Staff Salaries, FTE Counts, and Enrollment Report," PEIMS, 2010–11.

EXHIBIT 2–5
DISTRICT EMPLOYEE BENEFITS
2010–11

BENEFIT	ANNUAL COSTS
Employee Health	$3,348
Social Security/Medicare	924
TRS On-behalf	4,135
Unemployment Compensation	463
Workers' Compensation	352
Other Employee Benefits	440
TOTAL	**$9,662**

Source: Revenues and Expenditures Worksheet, District Sequence, September, 2011.

or timelines established for the current school year to discuss curriculum, instruction, student performance data or instructional priorities though it is anticipated this level of planning would occur at some point. In addition, none of the campuses or district had yet produced a copy of their district or campus improvement plans required by the TEC, nor any written district planning processes, procedures, agendas or meetings documentation.

Analysis of the district's budget further supports the lack of curriculum and instructional planning. Fiscal resources available to the district to support professional development for teachers and administrators in instructional improvement, and the procurement of instructional resources targeted at improving critical student needs had not been established as of the review team's site visit. Structures for data review and analysis and problem-solving and decision-making have also not been established to date. Resources are budgeted but not encumbered because decisions about how to utilize available state and federal resources have not been made. Planning resource allotments and instructional improvement resources remain unexpended and uncommitted because instructional improvement planning has been mostly absent. TEA assigned educational consultants are initiating some planning; however, district leadership and guidance has been absent. The first district SBDM meeting of the school year and the first for this district and campus leadership team was held on October 5, 2011. The meeting was held to set academic goals for all campuses for the current school year. The first meeting focused on a review of identified needs and to create a process for future meetings that will lead to the development of the district's improvement plan for 2011–12.

Santa Maria ISD currently has two educational consultants assigned by the Texas Education Agency to provide leadership

and guidance in improving the student achievement. The educational consultants called Technical Assistance Providers (TAP) are assigned to campuses that fail to meet acceptable accountability ratings or fail to meet Adequate Yearly Progress (AYP) standards. **Exhibit 2–6** shows the most recent TEA Accountability and AYP ratings for the district and its campuses for 2011. The ratings are based on student performance results on the *Texas Assessment of Knowledge and Skills* administered during the spring and summer of 2011. The district and campuses will maintain these ratings for two years due to the transition to the new more rigorous assessment system State of Texas Assessment of Academic Readiness (STAAR) being implemented by TEA.

EXHIBIT 2–6
ACCOUNTABILITY AND ADEQUATE YEARLY PROGRESS
RATINGS 2011
SANTA MARIA ISD
2010–11

	2011 ACCOUNTABILITY DISTRICT AND CAMPUS RATING	2011 AYP RATING
Santa Maria ISD	Academically Unacceptable	Missed AYP Reading & Math
Santa Maria High School	Academically Acceptable	Met AYP Reading & Math
Santa Maria Middle	Academically Unacceptable	Missed AYP Reading & Math
Tony Gonzalez Elementary	Academically Unacceptable	Missed AYP Reading & Math

Source: Texas Education Agency, Accountability Report, 2010–11.

Santa Maria ISD is required to submit an action plan for improving the academic achievement of its students and schools and receives support from former successful school administrators who have been pre-qualified by the Texas Education Agency. The TAP educational consultant shared a summary of notes from the initial needs assessment planning session held with the superintendent and principals for the preliminary draft of the required Student Achievement Improvement Plan (SAIP) 2011–12 for consideration and approval. The three campus principals identified similar potential contributors to the poor academic performance of the district and campuses, including:

- Lack of structures, policies and systems for curriculum, instruction and assessment;

- Lack of curriculum;

- No student benchmark assessments aligned to STAAR;

- Limited teacher training on academic rigor;

- Lack of instructional resources and interventions;

- Low teacher, parent, and student morale;

- Lack of administrator stability at the district and campus levels;

- High absences and too many student discipline removals; and

- Limited English proficient students performing poorly.

TEA requires all districts and campuses that receive state and federal education funds be held accountable for student achievement. A system of ratings is applied to school districts and campuses based on student performance indicators including attendance, high school graduation/completion, and core content area tests. For 2011, the district, the elementary and middle school campuses failed to meet academically acceptable benchmarks. In addition to preparing and submitting their *Student Achievement Improvement Plan(s) (SAIP)*, the implementation of the SAIP must lead to improved student performance and an academically acceptable or higher accountability rating or be subject to other TEA consequences. TEA has delineated specific guidance related to the assignment of accreditation status each year to alert districts to the progression of ratings a district receives based on persistent underperformance. **Exhibit 2–7** outlines the progression of ratings assigned to persistently low-performing campuses and districts.

Best practice standards have long stressed the value of campus-based decision making structures and processes. The *Texas Education Agency Financial Accountability System Resource Guide* defines site-based decision making as follows:

"… a process for decentralizing decisions to improve the educational outcomes at every school

campus through a collaborative effort by which principals, teachers, campus staff, district staff, parents, and community representatives assess educational outcomes of all students, determine goals and strategies, and ensure that strategies are implemented and adjusted to improve student achievement. ("Site-based Decision Making," Chapter 5. January 2010. *Texas Education Agency, Financial Accountability System Resource Guide)*

Campus-based planning structures shift greater autonomy, responsibility, and accountability to the stakeholders who are at the closest level of implementation and have the greatest understanding of the student's academic issues. It relies on the expertise of the campus leaders to create solutions to their greatest challenges, in this case, student academic performance.

The expected outcome of a campus-based participatory decision-making process as addressed in the TEA guide is improved student performance as a result of:

- Effective campus and school district planning for the purpose of improved student performance

- Improved parent and community involvement in the school improvement process

- Clearly established accountability parameters for student performance

- Increased staff empowerment, productivity, and efficacy

- Improved communication and information flow

- Consensus-based decision making

- Pervasive and long-range commitment to implementation

- Increased flexibility at the campus level in the allocation and use of human, material, and fiscal resources

EXHIBIT 2–7
TEXAS EDUCATION AGENCY
ACCREDITATION STATUS MATRIX
2010–11

INDICATOR	ACCREDITED – WARNED	ACCREDITED - PROBATION	NOT ACCREDITED - REVOKED
Academic Accountability Rating	Two consecutive years of an academic accountability rating of Academically Unacceptable	Three consecutive years of an academic accountability rating of Academically Unacceptable	Four consecutive years of an academic accountability rating of Academically Unacceptable

SOURCE: Texas Education Agency Accreditation Status Matrix, 2010-11.

- Coordination of "regular" and special program or service components

High quality campus-based planning structures create a more transparent and inclusive process to improve student performance. A process that engages all stakeholders in creating a blueprint for instructional planning and management is the best scenario for increased ownership of staff for organizational results. The process associated with implementing change is a crucial factor in the success or failure of a reform (Hord et al., 1987). Michael Fullan writes that "a balance must be present between the forces of top management and the network of stakeholders so that a common vision can be achieved" (1991).

The district instructional leader(s) should establish a system of campus-based decision-making to include all district campuses. Section 5 of the *Texas Education Agency's Financial Accountability System Resource Guide* delineates the lifecycle of the mandated, decentralized, campus-based process for decision making and recommends specific actions that the district leader may follow to empower critical stakeholders to assume a greater role in campus improvement. The process begins with:

1. Research—A review of the state's policies and procedures and a study of successful models.

2. Training, Planning and Development—The development of district processes and timelines for decentralizing student achievement planning to the school site level and resources for professional development for key leaders.

3. Evaluation—The listing of specific parameters for accountability for all stakeholders engaged in campus based planning and the timeline for review of success benchmarks and plan or process revisions.

Lasara ISD, a small district of comparable size and demographics, provides an excellent model of district improvement planning and campus-based decision-making structures. Santa Maria ISD is encouraged to contact the district for guidance and support.

Another resource may include Region 1 to assist the school district in the development and implementation of these structures and processes. Region 1 offers a comprehensive framework of supports for schools called the *Transformational Educational Excellence Model (TEEM)*. TEEM includes two major support components: the *Underperforming Series entitled Turnaround Educator Series and the STAAR School*

Improvement Series. A complimentary *STAAR Educator Development Series* is also available to deliver curriculum and instructional quality training for teachers and administrators. The regional educatiotion service center can also share examples of high-performing school districts of similar size and demographics. Santa Maria ISD needs every advantage to restructure and reform for lasting student success. A process that includes participatory decision-making and teacher accountability will facilitate greater student achievement. The first step is to empower teachers and staff with knowledge.

The fiscal impact for training such as Region 1's *Turnaround Educator Series (TES)* is $8,000 or ($800 per day x 10 days = $8,000).TES is a ten-day professional development series that can be expanded based on district interest and need at a cost of $800 per day for a group of 40–50 professionals. Specific focus of the TES is how to conduct a comprehensive needs assessment and build a long term improvement plan. Due to the low academic performance of students across the school district, a minimum of two years of participation in the training is recommended for the entire system. Customized training targeted at improving system weaknesses should occur annually. Staff and student performance data should guide the professional development framework. Participation in the Turnaround Educator Series would cost the district $8,000 per year or $16,000 for the two year period.

PROFESSIONAL LEARNING COMMUNITY (REC. 12)

Santa Maria ISD lacks a process that enables teachers to continuously assess areas of students' needs and identify strategies to meet those needs to improve the academic performance of students.

There is no evidence that teachers meet to review student data, determine student needs or identify strategies to address those needs. The elementary campus, as are the other campuses, is departmentalized from grades first through fifth.

Teachers teach content areas and do not meet during common planning time to review student progress across subject areas, assess specific learner needs, or define appropriate and innovative teaching strategies. Consequently, low student performance and high failure rates have little influence on teacher planning or delivery of instruction. No sense of shared responsibility or accountability for improving student performance could be confirmed during teacher and administrator interviews. Little evidence of intentional,

proactive planning or monitoring of the quality of planning and teaching is evident—no faculty meeting agendas, campus improvement plans, data disaggregation meetings at the school site or district level were found with the exception of the needs assessment meeting and the district improvement planning meeting led by the TAP educational consultant.

Exhibit 2–8 provides a summary and analysis of the student scores on TAKS from 2010, peer districts, the region, and the state. In addition to the performance scores of Santa Maria ISD and its peer districts, a ranking is added to each district's score indicating its rank in order of highest to lowest in meeting TAKS percentage standards. As shown, Santa Maria is the lowest ranked district in its peer group, reflecting it has the lowest passing percentages of the districts in all subject areas tested. Santa Maria is also the only district on the list to earn an Academically Unacceptable accountability rating and fail to meet AYP as a district in 2009–10.

The student performance comparisons above demonstrate that the student performance results for Santa Maria ISD are the lowest among the peer districts. Though sharing similar community and student demographics in every content area, the student performance is the lowest in peer group comparisons, as well as falling below regional and statewide averages.

Santa Maria ISD and its peer districts are all situated in low wealth, rural and border communities. The student populations are almost exclusively Hispanic and come from economically disadvantaged backgrounds. The percent of students in this district who are Hispanic range from 98.6 percent at Presidio ISD to 99.9 percent in Progreso ISD. Santa Maria ISD student population is 99.7 percent

Hispanic. The percent of economically disadvantaged students range from 86.1 percent at Presidio ISD to 94.6 percent at the other three peer districts. Their TAKS performance varies significantly across the same subgroups though demographically they are almost identical. **Exhibit 2–9** provides a comparison of sub-groups performance and again Santa Maria ISD student scores for all subgroups lag behind their peer districts.

EXHIBIT 2–9
SUB GROUPS PROFILES-PERCENT TAKS PASSING RATES
PEER DISTRICTS
2009–10

DISTRICT	HISPANIC	SPECIAL EDUCATION	ECON. DIS.	ENGLISH LANGUAGE LEARNERS (ELL)
Presidio	71%	28%	71%	56%
Progreso	68%	30%	68%	55%
Santa Maria	**54%**	**13%**	**53%**	**35%**
Santa Rosa	72%	33%	71%	56%

SOURCE: Texas Education Agency, AEIS, 2009–10.

The district-to-district comparison is helpful in highlighting the achievement gaps that exist across all of the major student subgroups in the peer districts. Santa Maria ISD students lag behind their subgroup peers in all tests taken. Poor student performance has resulted in the two campuses and the district receiving academically unacceptable ratings and failure at the same organizational units to meet AYP standards. Studies indicate that schools control the variables for student success; therefore, educators have the

EXHIBIT 2–8
SUM OF ALL GRADES TESTED
PERCENT MEETING TAKS STANDARD IN SANTA MARIA ISD AND PEER DISTRICTS
RANKING OF DISTRICTS BY SUBJECT AREA TESTING
2009–10

DISTRICT	READING/ ENGLISH LANGUAGE ARTS (RANK)	MATH (RANK)	WRITING (RANK)	SCIENCE (RANK)	SOCIAL STUDIES (RANK)	ALL TESTS TAKEN (RANK)
Presidio	85% (2)	84% (1)	91% (2)	75% (2)	93% (3)	72% (1)
Progreso	84% (3)	78% (3)	92% (1)	72% (3)	95% (2)	68% (3)
Santa Maria	**75% (4)**	**67% (4)**	**86% (4)**	**58% (4)**	**92% (4)**	**54% (4)**
Santa Rosa	89% (1)	80% (2)	87% (3)	85% (1)	96% (1)	72% (1)
Region 1	**86%**	**81%**	**92%**	**79%**	**94%**	**71%**
State	**90%**	**84%**	**93%**	**83%**	**95%**	**77%**

SOURCE: Texas Education Agency, AEIS, 2009–10.

responsibility to better identify and respond to the academic needs of their students. Achieving a re-culturing toward professional communities of learning requires a district to routinely and frequently examine and question its values and how those values are guiding and informing their actions towards students and colleagues. To be successful, a professional community of learning must persistently generate new insights and knowledge about successful teaching and learning; improve organizational memory through shared information and knowledge; and, build a staff's capacity for the effective use and dissemination of knowledge.

Creating a professional community of learners is a systemic model for capacity-building the members of the organization to effect needed student change and improvement. Many districts and campuses are developing campus-based professional development frameworks consisting of teams of teachers planning collaboratively to assess and address the academic needs of their students. These teachers organize their teams vertically across grade levels and horizontally by content areas to ensure the curriculum is aligned and has no gaps, to discuss rigor, and to determine the continuous progression of learning that must occur to ensure long term student success. Learning Community participants accept responsibility for their own learning by selecting the training they need to increase their personal teaching skills. An excellent model in south Texas to study and emulate is La Joya ISD.

Santa Maria ISD should organize its professional staff into communities of learners in all campuses for the purpose of transforming its school culture and its organizational improvement framework to achieve better student achievement. All SMISD student subgroups have significant educational lags and it is the responsibility of the district staff to improve the quality of teaching and learning across all grade levels of the organization.

The National Staff Development Council (NSDC) can also serve as an excellent resource to Santa Maria ISD. They provide principles and standards to guide educators in designing quality professional development structures for educators that target specific learning needs of their students in order to positively influence their learning.

This recommendation can be implemented with existing resources.

INSTRUCTIONAL INTERVENTIONS (REC. 13)

Santa Maria ISD does not have a comprehensive school improvement framework to guide the instructional program and the student support services needed for educational excellence.

No formal processes or parameters are in place to guide instructional and program decision-making to ensure program compliance and quality standards. Currently the district is departmentalized from grades one through twelve and as a result, teacher planning and professional development time are content area focused versus a focus on the progress of students. Teacher and principal interviews confirmed the absence of structures for reviewing student performance data and using that data as the impetus for obtaining and implementing instructional and program services focused on addressing the personal learning needs and challenges of students. An assessment of special program services by the review team demonstrated a lack of alignment between the learning strengths and challenges of students and the educational services they receive in the district.

In addition, there are no educational or support services available in the district for students identified as gifted and talented. In an interview with the review team, an administrator was shown PEIMS reports indicating the district and campus gifted and talented students identified in the district yet not receiving services, the administrator's response was "… maybe they are transfers from other districts where those services were provided."

Special education instructional arrangements services are inclusion and self-contained units only. Few students are identified for program assessment and services beyond the primary grades. This student group is the lowest performing among its subgroup when compared to its peer districts, the region, and the state. English Language Learners (ELL) are another underperforming subgroup. The district offers an *Early Exit* English immersion program for its 300 plus LEP population. There were no examples of planned modification meetings to support recent arrivals who speak no English and no instructional tools provided to assist students with the vocabulary of the English only instructional program. As with other subgroups, the ELL students are scoring lower that their cohorts in peer districts, the region, and the state. **Exhibit 2–10** presents a comparison of the performance of special education and English language learners from Santa Maria ISD and its peer districts.

EXHIBIT 2–10
SUB GROUPS PROFILES-PERCENT TAKS PASSING RATES
PEER DISTRICTS
2009–10

DISTRICT	HISPANIC	SPECIAL EDUCATION	ENGLISH LANGUAGE LEARNERS (ELL)
Presidio	71%	28%	56%
Progreso	68%	30%	55%
Santa Maria	**54%**	**13%**	**35%**
Santa Rosa	72%	33%	56%

Source: Texas Education Agency, AEIS, 2009–10.

Review of the district's budget for 2011–12 reflects significant funds available for additional supports to the instructional program. **Exhibit 2–11** outlines some budget and potentially still available fiscal resources that may be targeted for building the capacity of the staff to meet the academic learning needs of their students. The majority of the budget funds are for contracted and purchased services in the instructional function (11) or staff development (13). At the time of the site visit by the review team these funds were not encumbered because decisions regarding how the funds were to be used had not yet occurred. A significant portion of these funds may potentially be available to support the recommendations from this report.

EXHIBIT 2–11
BUDGET ALLOCATIONS 2011–12
INSTRUCTIONAL INTERVENTIONS RESOURCES
SEPTEMBER 2011

FUND	FUNCTION	BUDGETED	BALANCE
General Fund	11	$274,500	$251,980
General Fund	13	18,900	18,900
Title I, Part A	13	11,570	10,875
State Vocational	11	14,965	14,313
Title III-Bilingual	11	33,172	33,172
Student Success Initiative	13	81,894	81,894
TOTAL		**$435,001**	**$411,134**

Source: Santa Maria ISD Budget Report, September, 2011.

In the absence of change, students may be at risk to continue to struggle and their test performance may remain low. Expectations for students are increasing regarding a greater emphasis on rigor of course offerings, rigor of instruction, and the relevance of the curriculum in real world application.

Underperforming organizations, like Santa Maria ISD, place the district and students at an enormous disadvantage. It is imperative that school strategies models be employed to accelerate improvement in mastering these rigorous learning standards. This district is engaged in a state and nationwide improvement effort and must embrace an aggressive school improvement effort if it is to survive.

There is a growing emphasis in educational literature regarding the value of monitoring academic progress of all students and the value of applying a variety of instructional interventions aimed at accelerating the learning of students to close the lags in student achievement that plague many of our schools. George Sugai and Robert Horner are among a group who are developing considerable research on the concept of a pyramid of increasingly intensive interventions. Response to Intervention (RTI) models based on this research is becoming the norm in high performing schools. This model provides support beyond the top 20–25 percent high performing students by aggressively and intentionally focusing the instructional leaders on how well the bottom 20–25 percent are doing.

RTI models examine data on how the total group of students and subgroups of students are performing. A generally accepted norm for successful system performance is to have 80 percent of its students as a whole and every subgroup meeting state standard. When schools and districts fall below that accepted standard, an RTI model delineates appropriate system interventions to improve results. The major premise of an RTI model is that all students deserve a quality curriculum; excellent teaching, early academic intervention, and frequent progress monitoring to ensure the interventions are a good match for the learner(s). RTI is a school reform effort that addresses all facets of education for all students.

The district should design and implement a comprehensive Response to Intervention (RTI) model districtwide that provides a pyramid of increasingly intensive interventions for struggling students. An RTI model allows a school to determine the students who need intervention as a total group and within subgroups, including ELL, migrant, special education, and gifted and talented. In addition, while the district uses a curriculum management system; CSCOPE, the district is not systemically applying curriculum that aligns vertically or horizontally and is therefore in need of a quality district curriculum that should be implemented districtwide and supplemental teacher training is recommended. Program resources, such as state compensatory, Title I, Part A funds, bilingual and special education,

may provide the fiscal resources to support the teacher and staff training. Professional development for teachers and administrators on successful implementation of differentiated teaching strategies should be purchased from successful providers including such organizations as Region 1 and SEDL.

Deliberate structures must also be established for monitoring the rate of student growth necessary to close the achievement gap. The model implemented must include a pyramid of evidence-based interventions, a progress monitoring system for tracking student, teacher and school progress, a problem-solving team, an integrated database for instructional decision-making, and the professional development necessary for teachers to manage the change must be part of the system.

Santa Maria Middle School has received $1.4 million in funding in 2011–12 and also for 2012–13 through TTIPS to establish an RTI model. This model could form the basis for districtwide implementation.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

STUDENT BEHAVIOR MANAGEMENT (REC. 14)

The district has a high number of students in discipline related instructional options at all campuses with no specific strategy for providing supports for students with persistent misbehavior.

Student discipline data from 2010–11 reflect that Santa Maria ISD has a significant problem with student behavior management. One hundred and eight (108) students from grades Pre-Kindergarten through 11 had discipline referrals that required detention in the district's in-school suspension programs, which represent over 15 percent of the average enrollment of 702 students for that school year. A significant concern is the large number and percent of elementary aged students who are exhibiting discipline problems significant enough to cause their assignment to in school detention. Of the 108 students on the district's discipline report, 79 are elementary age students, representing over 73 percent of the referrals. One administrator commented that older students are more likely to withdraw from school, drop out or transfer to a charter school if they commit more serious breaches of school rules so this may account for the smaller number of discipline referrals to In-School Suspension (ISS) from the secondary grades. No student placements in the Juvenile

Justice Alternative Education Program (JJAEP) occurred in 2010–11 and none again this school year.

Discipline reports obtained for the three campuses reflect that violation of student code of conduct is the main referral cause for the discipline action. Only two of the referrals were for possession, use or sale of drugs. During the site visit team members noticed broken windows, and doors at the middle school. Interviews with administrators and teachers indicated the windows and door breaks were caused by student vandalism. No discipline related data support that students were caught doing the damage. The superintendent shared during the interview that it is his understanding that principals may have been removed from their positions due to the board members' frustration with student discipline problems. The middle school currently employs a police officer to assist with student behavior management. The campus and district leaders report that they believe this has already produced positive results. The police and the county sheriff addressed parents and students at the TTIPS announcement meeting and explained the potential consequences for student misbehavior when a police officer is part of the intervention team.

Research is clear that problems such as violence, vandalism, bullying, and similar behaviors create an unsafe learning environment undermine instruction, and pose a clear threat to the student population of the school. Antisocial behavior, academic underachievement, and poor development of pro-social skills among students compromise not only quality of achievement, but also quality of life. These are enormous concerns for educators, parents, and the public. Furthermore, the educational literature emphasizes that the early onset of discipline problems in school children is a high predictor of maladjustment and poor academic performance.

Loeber and Hay, 1997, are among a group of highly respected researchers who support large-scale prevention- focused intervention models for influencing positive school climate and youth behavior. An extensive meta-analysis of more than 800 studies concerned with school discipline problems and challenging student behaviors revealed the best effects from interventions that focus on social skills training and system-wide behavioral intervention along with academic curricular modifications and upgrades. At the core of this model is an approach that focuses on social skills training and promotes social competence by teaching students how to interact more effectively with peers and adults through better conflict-resolution, problem-solving, negotiation, and friendship building abilities. Another vital component is positive

reinforcement of students' improved attitudes and standards of behavior.

Santa Maria ISD should implement a system-based behavioral intervention program at the elementary and middle school levels. Critical components of the program should include behavior-change practices that provide the standard for the district. Critical components of the program would include: (1) setting consensus-driven behavior expectations; (2) teaching critical interpersonal skills; (3) providing systemic positive reinforcement for meeting and exceeding behavior performance criteria; (4) monitoring intervention efficacy continually through data collection and analysis; (5) involving all stakeholders in the formulation of discipline practices; and, (6) reducing and eliminating reactive, punitive, and exclusionary strategies in favor of a proactive, preventive, and skill-building orientation. (Luiselli, Putnam, Handler, & Feinberg, 2005)

The district may contact the School Safety Center for suggested programs that can be applied internally as part of staff development training or may decide to offer a stipend to a teacher to implement the program. Therefore, a fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation of this recommendation.

INSTRUCTIONAL TECHNOLOGY (REC. 15)

The district lacks a methodology to evaluate the equal distribution of technology across all campuses in the district.

In addition, teacher training on how to use the technology within the curriculum and instructional program has been largely absent in SMISD. The district has acquired extensive high quality technology infrastructure for administrative and instructional uses over the past two years due to supplemental grants which have been used to acquire technology equipment for teachers and students. While these grants have been a good thing regarding the acquisition of technology, the grants have focused on the middle school and therefore fiscal resources provided to the middle school have created an unequal distribution of technology hardware for teachers and students across all campuses.

Teachers and students in the district have good access to technology hardware for instructional purposes, including computers, printers, document cameras, and graphing calculators as indicated in **Exhibit 2–12.**

EXHIBIT 2–12
TECHNOLOGY INVENTORY BY CAMPUS
2011–12

EQUIPMENT	TONY GONZALEZ ELEMENTARY	SANTA MARIA MIDDLE	SANTA MARIA HIGH	TOTAL
IPAD 2	14	38		52
MAC Laptop	25	25	165	215
MAC Laptop Cart	1	1		2
Dell Laptop	14	30		44
Dell Desktop Optiplex	91	54		145
Printer	12	11		23
Cisco Switch	1			1
Dell Mini Notebooks		68		68
Document Cameras		6		6
MOBI Learners		18		18
MOBI Chargers		6		6
Classroom Perf Systems		3 sets /66 remotes		3
TI – 84 Plus Calculators		80		80

SOURCE: Santa Maria ISD Technology Inventory, October 2011.

However, one of the most repeated concerns of teachers indicated to the review team during the site visit deals with the limited educational technology applications and software provided for instructional intervention and enrichment for students; and, the unequal access of teachers across content areas. Math and Science teachers and classrooms at the middle school have the newest and best equipment due to the *Algebra Readiness Grant*. Yet another common staff frustration shared was regarding the lack of training for teachers on how to integrate the available technology into the instructional program.

The Texas School Technology and Readiness (STaR) Chart produces a profile of the campus' status toward reaching the goals of the State *Long Range Plan for Technology (LRPT)* and No Child Left Behind by completing a survey online and then using the profile annually to gauge their progress in integrating technology into teaching and learning. The profile has indicators that place a campus at one of four levels

of progress: Early Tech, Developing Tech, Advanced Tech, or Target Tech. The four key areas include (1) Teaching and Learning (TL); (2) Educator Preparation and Development (EPD); (3) Leadership, Administration, and Instructional Support (LAI); and, (4) Infrastructure for Technology (INF). Each key area incorporates six specific indicators that the campus' rate using the four progress levels discussed above. The standard progress benchmark across the state is for campuses to show continued improvement and movement towards Target Tech Level. TEA uses the Key Area Rating Range for the four areas identified previously as follows:

- 6-8 Early Technology

- 9-14 Developing Technology

- 15-20 Advanced Technology

- 21-24 Target Technology

Exhibit 2–13 shows the comparative data for Santa Maria ISD and its peer districts. The table includes the average score by key area for each district. As a reminder each of the four key areas includes six descriptive indicators that are individually rated assigning one of the four progress levels. A key area is averaged for the campus profile. The district profile rating per key area is an average of the campus ratings. The district appears to be self-rating their technology capabilities as within the "Developing Technology" range, indicating that there is room for growth especially in the category of Educator Preparation and Development where the district has rated themselves the lowest of the four areas. One other peer district, Presidio ISD, rates themselves higher while two others, Progreso and Santa Rosa ISDs rate themselves lower.

Finally, the district budget includes $213,801 for the acquisition of capital outlay. However, none of these funds had been expended as of the team site visit though **Exhibit**

2–14 identifies the capital outlay equipment delineated in the TTIPS proposal budget of $208,101.

Adding the approved equipment indicated in **Exhibit 2–14** will provide Santa Maria's middle school a combined inventory of 14 project cameras, 14 EIKI projectors, 49 IPAD2s, 205 laptops, 75 Kindles, 68 Mini Notebooks, and 80 TI 84 Plus Calculators and would further distort the distribution of computer equipment (Santa Maria Middle school serves approximately 150 students in sixth through eighth grades and is staffed by one principal, one counselor, ten teachers and five paraprofessional staff members). There is also $290,000 budget for contracted services with much of these fiscal resources not designated for any particular vendor or service.

EXHIBIT 2–13
TEXAS CAMPUS STaR SUMMARY
2010–11

DISTRICT	TL TOTAL	EPD TOTAL	LAI TOTAL	INF TOTAL
Presidio	14	14	17	18
Progreso	14	12	14	13
Santa Maria	**14**	**13**	**14**	**15**
Santa Rosa	14	11	16	15

SOURCE: Texas Education Agency, Technology Report, 2010–11.

EXHIBIT 2–14
SANTA MARIA MIDDLE SCHOOL
TTIPS CAPITAL OUTLAY ITEMS
2010–11

HARDWARE	UNIT COST	QUANTITY	TOTAL COSTS
Docking Carts	$1,800	15	$27,000
Notebooks	350	150	52,500
EIKI Projectors	599	14	8,386
Projector Mounts	290	14	4,060
Interactive Mobile Slates	1,249	11	13,739
Interactive Response System	2,895	11	31,845
Elmo Document Cameras	525	8	4,200
Kindles	100	75	7,500
IPADs for Teachers	600	11	6,600
Desktop Computers	1,200	15	18,000
Software – Microsoft Office	55.11	165	9,093
MS User Cal	5.32	165	878
LEP Vocabulary Software	5,000	1	5,000
Portable Sound System	19,300	1	9,300
TOTAL COSTS YEAR 1			**$208,101**

SOURCE: Texas Education Agency, SAS 2011–14, Texas Title I Priority Schools, Cycle 2.

As with the district's Technology Plan, there is no significant explanation regarding how these resources will influence the transformation in teaching that is requisite to improving the performance of students at this campus.

Attitudes toward technology use within the school setting are an important and often overlooked component of successful curriculum integration of technology. Much of the available research that has been done on technology integration assumes that once appropriate technology tools are provided in the classroom, that students, teachers, and parents will overwhelmingly support the change toward a technologically based curriculum. Often the assumptions made are that if teachers are provided the technology they will know "how to" create a technologically based curriculum. Technology is clearly becoming more prevalent in schools as evidenced by the extensive technology inventory of this district. Technology usage within the curriculum will change the role of the teachers and the students. Before these changes can occur, schools must explore issues dealing with teacher training, and securing equitable student access to technology. The district's curriculum must be one seamless vertical system of continuous progress. Technology must be part of the total curriculum, which means that teachers must be provided the tools necessary to effectively integrate the technology in their classrooms, providing all students access to similar learning experiences.

The district should create a method of districtwide technology distribution to ensure a technology rich environment at all campuses. In order to accomplish this, the district should first engage in an analysis of the technology availability and use across all educational settings in the organization. The analysis should examine the use of technology for teaching and learning, the application of technology across the different content areas, the educators' teaching styles and the students' learning styles with technology.

The information collected should be one source for determining next steps. The goal is to create a technology rich environment at the campus level through the integration of effective technology into the curriculum and instructional program. The curriculum development and teacher training needed to prepare for successful implementation of a technologically based curriculum must occur before any additional equipment is procured by the district.

Effective technology integration (ETI) can build exciting and creative learning environments where student learning and motivation are increased. The technology provided should create the conditions where students teach and learn from each other, solve problems, and collaborate on projects that put learning in a real world context. ETI can lead to a variety of positive outcomes for teachers and students, but it is imperative that thoughtful processes be employed to build the capacity of the system to respond appropriately.

This recommendation can be implemented with existing resources.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
10. Create an administrative position at the district level to provide leadership for educational services including curriculum, instruction, assessment and special programs.	($78,592)	($78,592)	($78,592)	($78,592)	($78,592)	($392,960)	$0
11. Develop an operational framework that focuses campus responsibility and accountability for goal setting, curriculum planning, budgeting, and resource allocation to address the instructional priorities of the district at the school site level.	($8,000)	($8,000)	$0	$0	$0	($16,000)	$0
12. Establish professional learning communities at all campuses.	$0	$0	$0	$0	$0	$0	$0
13. Design and implement a comprehensive Response to Intervention (RTI) model districtwide that provides a pyramid of increasingly intensive interventions for struggling students.	$0	$0	$0	$0	$0	$0	$0
14. Implement a system-based behavioral intervention program at the elementary and middle school levels.	$0	$0	$0	$0	$0	$0	$0
15. Create a method of districtwide technology distribution to ensure a technology rich environment at all SMISD campuses.	$0	$0	$0	$0	$0	$0	$0
TOTALS CHAPTER 2	**($86,592)**	**($86,592)**	**($78,592)**	**($78,592)**	**($78,592)**	**($408,960)**	**$0**

CHAPTER 3

COMMUNITY INVOLVEMENT

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 3. COMMUNITY INVOLVEMENT

School districts were established to be responsive to the needs of their community, which includes students, parents, non-parent residents, taxpayers, and businesses. In turn, the community needs to be knowledgeable on school district needs and concerns in order to respond appropriately to issues facing the district. Effective public communication and a positive relationship are important for districts to have with their communities so both entities can adequately support each other. This chapter describes how Santa Maria ISD needs to establish practices in order to embrace the local community and how the community can be better informed about the district.

FINDINGS

- While the district receives 21st Century funds to provide some supports to parents and community members, the district lacks a comprehensive plan to involve Santa Maria ISD parents and the community.

- The district's leadership team, while mostly new, is not participating in local civic organizations or publications that further promote the district.

RECOMMENDATIONS

- **Recommendation 16: Create a comprehensive community involvement plan.**

- **Recommendation 17: Advertise Santa Maria ISD news in different media outlets in the community and ensure board members and district leaders join civic organizations to further promote the district.**

DETAILED FINDINGS

PARENTAL INVOLVEMENT PLANS (REC. 16)

While the district receives 21st Century funds to provide some supports to parents and community members, the district lacks a comprehensive plan to involve Santa Maria ISD parents and the community.

In August 2011, the district hired a parent involvement coordinator/parent liaison using Title I funds to begin addressing the need to create greater parent involvement in the district. According to the job description, the primary purpose of the position is to "*manage the Parental Involvement*

Center and have various responsibilities within the Parental Involvement Program." Currently the position reports to the elementary school principal and is responsible for planning, developing, and implementing programs to promote parental involvement. While a component of the position calls for planning, the district could not produce a comprehensive plan related to parent or community involvement during the review team's onsite visit. Lack of a well-thought out plan keeps the district from knowing how to best expend funds to serve students and staff in the present as well as in the future.

The coordinator did however indicate to the review team that she had facilitated a clothing drive in September 2011, in partnership with Buckner's Children Services. Clothing collected was given away free to the entire community. Approximately thirty individuals attended the clothing event.

In addition, the coordinator asked participants at the clothing event to complete surveys regarding things they would like to see happen at Santa Maria ISD. Survey responses indicated that parents and community members would both like to have more technology and English as a second language classes. As a result of the survey, the district created technology and English language classes to help address the needs of the community. These classes were initiated in October 2011 and plan to meet twice a week on Mondays and Wednesdays.

While these events and classes are a positive step towards involving the community, lack of a comprehensive community involvement plan to verify ongoing requests from community members, parents, and students creates a reactive approach to the community's needs. Moreover, without appropriate planning the district may not be able to provide the needed funding to implement activities in response to community requests. Comprehensive plans not only indicate the funding sources that will make a plan happen but also allow for community members' involvement in the initial stages as well as through the promotion phase of events.

The Columbia School District (MI) is an example of a district that created and implemented a comprehensive parent-community plan that embraces the *National Standards for Parent and Family Involvement Programs*.

The plan's six standards are as follows:

Standard #1: **Communicating**—Communication between home and school is regular, two-way, and meaningful.

Standard #2: **Parenting**—Parenting skills are promoted and supported.

Standard #3: **Student Learning**—Parents play an integral role in assisting student learning.

Standard #4: **Volunteering**—Parents are welcome in the school and their support and assistance are needed.

Standard #5: **School Decision Making and Advocacy**—Parents are full partners in the decisions that affect children and families.

Standard #6: **Collaborating with Community**—Community resources are used to strengthen schools, families, and student learning.

Further, the major components of the plan are shown in **Exhibit 3–1**.

Finally, the Columbia School District indicates that the National Parent Teacher Association's research shows that increased parent/community involvement may result in:

- Higher grades, test scores, and graduation rates;

- Better school attendance;

- Increased motivation;

- Higher self-esteem;

- Lower rates of suspension;

- Decreased use of drugs and alcohol; and

- Fewer instances of violent behavior.

The parent involvement coordinator for Santa Maria ISD should work with the superintendent to create a comprehensive parent/community involvement plan. In developing such a plan, the coordinator should first form a committee that contacts Columbia School District to discuss their successful approach to determine the best approach at meeting a plan that is shown in the exhibit above, in order to have a comprehensive plan for community involvement. In addition, the committee should contact Wyoming County Schools (WV) to learn more on the open-house to showcase technology used in the district.

This recommendation can be implemented using existing resources within the district.

PUBLICITY (REC. 17)

The district's leadership team, while mostly new, is not participating in local civic organizations or publications that further promote the district.

While the immediate Santa Maria community is lacking in civic organizations, several are available in the nearby cities of Harlingen or Brownsville. Civic organizations often help promote school districts and assist districts with in kind services or scholarship opportunities to students upon graduation.

Recently, the district was featured in the October 5, 2011, La Feria News, a local community newspaper serving the Rio Grande Valley and neighboring Santa Maria ISD. The story showcased the district in receiving a $3 million grant from the state to help hire new teachers, purchase technology, and fund field trips. Pictures of some board members, staff, and students were captured to complement the story.

Other media such as Valley Business Report and the Rio Grande Valley Visitors Guide located in the surrounding community and other nearby cities are available for use by the district and community; however, no one is responsible for contacting them. Publications like these could list Santa Maria's two historical landmarks located within a mile of the district and even mention the district's name as part of the surrounding area and help attract new visitors or other groups to the site. Since Santa Maria ISD is a small district, there is a greater need for the district's leadership to promote the district by not only participating in civic organizations as previously mentioned, but also by seeking local media outlets to feature stories of interest about the district. These organizations/publications allow for districts to showcase the talents of a district and to let others know if assistance is needed. The district will remain relatively unknown without more interaction with the community.

Taft ISD, a small district and like Santa Maria ISD, does not have a Public Information Office so the leadership team regularly participates in civic organizations to help promote the district, its accomplishments and/or challenges. Leaders within this district have speaking roles, including the promotion of innovative academic programs and how the budget shortfalls are impacting the district. For example, Taft's coach met with the Kiwanis club at their annual football coaches meeting and shared his prediction that their

EXHIBIT 3–1
COLUMBIA SCHOOL DISTRICT (MI) PARENT-COMMUNITY PLAN
2011

Specific Stages of Parent-Community Participation Action Plan include

Notification of Parent-Community Participation Action Plan

- Distribute the Columbia School District Parent-Community Participation Action Plan to students and parents in the annual Student Handbooks at the beginning of the school year.
- Communicate information about the Columbia School District Parent-Community Participation Action Plan through the Torchbearer, the Exponent, building newsletters, on the district website, and the Annual Reports.
- Provide Parent/Teacher/Student Compacts as an initial step toward parent involvement.

Development of Title I Planning Process
In conjunction with current board policies and district practices, the Columbia School District will continue:

- Survey Title 1 parents to gain feedback of program, evaluation, and recommendations.
- Conduct informational meetings at the beginning of each school year in each of the Title I school buildings.
- Seek parental representation on the district's Title I Advisory Committee via the District School Improvement Team.

Annual Evaluation of Parent-Capacity

- Each year, as a district, the educational partners (individuals, community groups and/or businesses) will be recognized.
- In addition, those partners will be surveyed in order to evaluate, revise and implement strategies that will enhance parent-community participation.

Development of Parent-Community Capacity

During the course of the 2009–14, the Columbia School District will develop "quality" parent-community activities which will include the following:

- Help parents with strategies for supporting school work/homework across the grades.
- Provide building level resources that encourage parents to gain insight and knowledge into their vital role.
- Provide resources through the development of a parent involvement link on the district's website.
- Cultivate opportunities for people to contribute specialized skills by developing a talent bank online for career days, mentoring, school-to-work experiences, etc.
- Volunteer opportunities such as PTO, student-led conferences, field trips, classroom helpers, booster groups, arts, etc.
- Participate on districtwide and school building committees; attend special topic meetings, Board of Education meetings, etc.
- Maintain district website offerings for parents.
- During the 2010–11 school year, the Columbia School District will work to broaden the support system for parents by hosting a Parent University workshop utilizing a variety of speakers on topics of special significance to parents.
- Provide parents with materials and training to help them work with their child to improve their child's academic achievements (i.e., family nights, newsletter "tips", etc).
- Inform parents on curriculum and assessment standards, No Child Left Behind requirements, MEAP, MME, and Jackson County Wide Common Assessments, monitoring their child's progress, and working with educators.
- Encourage administrators and staff members to reach out, communicate, and work with parents as equal partners.
- Coordinate parental participation activities with other community resources and programs
- Communicate information about school and parent programs in an understandable format

SOURCE: Columbia School District (MI) website, 2011.

football team would be champs. This type of participation by a school administrator not only creates good networking opportunities for the district but also forms friendships that may become vested in the district.

The district should advertise Santa Maria ISD news in different media outlets in the community and ensure board members and district leaders join civic organizations to further promote the district. Memberships to these organizations are generally at a low cost and at times can be absorbed by individual staff and board members. Cost to Santa Maria ISD cannot be determined at this time since the district will need to decide which organizations it should join, who should join them, and how the membership fees will be covered.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS)OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
16. Create a comprehensive community involvement plan.	$0	$0	$0	$0	$0	$0	$0
17. Advertise Santa Maria ISD news in different media outlets in the community and ensure board members and district leaders join civic organizations to further promote the district.	$0	$0	$0	$0	$0	$0	$0
TOTALS CHAPTER 3	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

CHAPTER 4

ASSET AND RISK MANAGEMENT

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 4. ASSET AND RISK MANAGEMENT

School districts are recipients of local, state, and federal sources of funding. Those funding school districts need assurance that districts will abide by laws and regulations governing the expenditure of resources. School districts must safeguard cash and assets acquired with those funds.

According to the 2009–10 annual financial audit, which is the last completed audit, Santa Maria Independent School District (Santa Maria ISD) received total revenue for all governmental funds of $9,268,352. The revenue was comprised of 5.67 percent from local resources, 66 percent from state sources and 28.33 percent from federal as shown in **Exhibit 4–1.**

EXHIBIT 4–1
SANTA MARIA ISD AND PEER DISTRICTS
SOURCES OF TOTAL GOVERNMENTAL REVENUE
2009–10

DISTRICT	TOTAL	LOCAL	STATE	FEDERAL
Presidio ISD	$20,171,818	7.3%	74.6%	18.1%
Progreso ISD	$23,858,509	7.7%	70.9%	21.4%
Santa Maria ISD	**$9,268,352**	**5.7%**	**66.0%**	**28.3%**
Santa Rosa ISD	$15,607,311	7.6%	62.0%	30.4%

SOURCES: Peer Districts and Santa Maria ISD 2009–10 Annual Financial Audit.

Santa Maria ISD total expenditures for all governmental funds for 2009–10 was $8,434,718 with per pupil actual expenditures of $10,889. The district spent 54.1 percent of actual operating expenditures on instruction, which is within the range of peers, as shown in **Exhibit 4–2.**

A school district's business office is responsible for maximizing cash resources from a variety of funding sources and minimizing loss of physical assets. This function is dictated by sound fiscal practices, policies and procedures, school board policies, and state and federal laws and regulations. This responsibility is accomplished through acquisition of insurance coverage, constant monitoring of cash balances, software applications, tagging and tracking assets during the year, and conducting annual physical inventories.

Santa Maria ISD secures coverage against loss for real and personal property, school professional legal liability, general liability, crime and vehicle loss or damage, and Workers' Compensation at an annual cost of $123,051 with Texas Association of School Boards (TASB). The district also secures health insurance for employees from the Teacher Retirement System Active Care funded with employer and employee contributions and has athletic insurance with United Healthcare Insurance Company for a cost of $19,742 as shown in **Exhibit 4–3**. Santa Maria ISD provides parents access to student accident insurance through the district athletic insurance plan.

EXHIBIT 4–2
SANTA MARIA ISD AND PEER DISTRICTS
INSTRUCTIONAL EXPENDITURES ALL GOVERNMENTAL FUNDS
2009–10

DISTRICT	TOTAL EXPENDITURES	PER STUDENT EXPENDITURE	PERCENTAGE OF EXPENDITURES FOR INSTRUCTION
Presidio ISD	$19,519,290	$11,958	59.8%
Progreso ISD	$26,186,797	$9,681	53.3%
Santa Maria ISD	**$8,434,718**	**$10,889**	**54.1%**
Santa Rosa ISD	$20,001,488	$12,992	48.8%

SOURCES: Peer Districts and Santa Maria ISD 2009–10 Annual Financial Audit.

EXHIBIT 4–3
SANTA MARIA ISD
ANNUAL INSURANCE COST
2011–12

TYPE	COMPANY	COST	TERM
Athletic Insurance	United Healthcare Ins Co.	$19,742	8/22/11–Last class day
Property & Liability	TASB	35,702	9/1/11–9/1/12
Unemployment Compensation	TASB	28,217	10/1/11–10/1/12
Workers' Compensation	TASB	59,132	9/1/11–9/1/12
TOTAL DISTRICT INSURANCE		**$142,793**	

SOURCES: 2011–12, Texas Association of School Boards and United Healthcare Ins. Co. 2011 renewal notices.

ACCOMPLISHMENT

- Santa Maria ISD refunded two bond issues resulting in cash savings of $199,312.

FINDINGS

- Santa Maria ISD does not follow best practices in overall cash management, policies, and procedures to ensure adequate funds are available to meet district needs and to ensure there are no misappropriations of funds.

- Fixed assets are not being tagged or tracked in the district and annual inventories are not conducted.

- While 90 percent of the employees paid on a monthly basis and 30 percent of employees paid on a semi-monthly basis have authorized direct deposit for their payroll checks, not all SMISD employees receive payroll through direct deposit.

RECOMMENDATIONS

- **Recommendation 18: Implement sound cash management using industry standards and best practices to ensure the appropriate use of district resources.**

- **Recommendation 19: Automate fixed assets tracking and conduct an annual physical inventory.**

- **Recommendation 20: Encourage all employees to utilize direct deposit for payroll checks.**

DETAILED ACCOMPLISHMENT

BOND REFUND

Santa Maria ISD refunded two bond issues resulting in cash savings of $199,312.

The administration chose to refinance their long-term debt in order to reduce the amount of interest for the debt. The School House Bond-Series 1998 had a coupon interest rate of 4.38 percent–5.38 percent. School House Bond series-2000 had a coupon interest rate of 4.08 percent–5.75 percent. These bonds were refunded with Unlimited Tax Refunding Bonds-Series 2010 with a coupon interest rate of 3 percent to 5 percent, thus resulting in a $199,312 cash savings due to the reduction of the interest cost.

Callable bonds may be refunded without voter approval, but needs the approval of the school board and the attorney general. Prior to refunding School House Bond-Series 1998

and School House Bond-Series 2000, the district had three outstanding bond issues including School House Bond-Series 2004. Bond elections were held in accordance with the applicable requirements for all bond issues. The district qualifies for state assistance for bonded debt due to the low taxable wealth per student. The district's share of the bonded debt is minimal (17.72 percent). Bond information is shown in **Exhibit 4–4**.

Estrada Hinojosa & Co., Inc. of Dallas (firm), along with financial advisors, guided the school district through the process of identifying callable bonds and the refunding of School House Bonds-Series 1998 and School House Bond-Series 2000. The financial advisor was selected as per Board Policy CH (LEGAL), which states;

> *The district may contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Government Code 2254.003, in lieu of the methods provided by Education Code 44.031.*

Government Code Chapter 2254, professional and consulting services states that selection will be made based on:

> *(1) On the basis of demonstrated competence and qualifications to perform the services; and; (2) for a fair and reasonable price.*

The process for refinancing bonds is shown in **Exhibit 4–5.** On March 9, 2011, the firm presented the preliminary plan of finance to issue bonds. The firm mailed the first draft of the preliminary official statement (POS) to the working group on March 15, 2010. The second draft was mailed on May 14, 2010 after having received feedback from the working group. On June 11, 2010, the firm mailed out the third draft of the POS to the working group and to rating agencies. The permanent school fund application and instructional facilities allotment (IFA) was submitted by Estrada, Hinojosa &Co., Inc. to the Texas Education Agency. On July 15, 2011, the firm printed and distributed the preliminary official statement. After receiving ratings and pricing the obligations, the firm sought the approval of the school board. The Santa Maria ISD School Board executed the bond purchase agreement on August 10, 2010. On August 11, 2010, the firm submitted documents pertaining to the refunding of these bonds to the Texas attorney general. On September 7, 2011, the attorney general approved the obligations. Closing of process occurred on September 8, 2010.

EXHIBIT 4–4
SANTA MARIA ISD
SCHOOL HOUSE BONDS
AS OF AUGUST 31, 2010

ELECTION DATE	PERCENTAGE OF APPROVAL	ORIGINAL ISSUE	COUPON RATE PERCENTAGE	OUTSTANDING BALANCE AS OF 8/31/2010
12/06/1977	75%	School House Bond-Series 1998 $2,350,000	4.38–5.38%	$0
02/12/2000	86%	School House Bond Series 2000 $1,665,000	4.08–5.75	0
02/07/2004	67%	School House Bond-Series 2004 $2,015,000	3.50	1,810,000
N/A	N/A	Unlimited Tax Refunding Bonds-2010 $2,445,000	3.00–5.00	2,445,000
		TOTAL BONDS PAYABLE		**$4,255,000**

SOURCE: Santa Maria ISD Annual Financial Audit, 2010.

EXHIBIT 4–5
SANTA MARIA ISD
TIMETABLE OF EVENTS
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2010

DATE	PROCESS
March 9, 2010	Present preliminary plan of finance to issue bonds to school board.
March 15, 2010	Mail first draft of the POS to working group.
April 30, 2010	Receive comments on first draft of the POS and bond documents from working group.
May 14, 2010	Mail second draft of the POS to working group.
May 28, 2010	Receive comments on second draft of the POS and bond documents from working group.
June 11, 2010	Mail third draft of the POS to working group and rating agencies.
June 15, 2010	Submit permanent school fund application to TEA. Submit IFA to TEA.
June 29, 2010	Receive comments on third draft of the POS and bond documents from working group.
July 15, 2010	Print and distribute POS.
July 15, 2010	Receive ratings.
August 2, 2010	Price the obligations
August 11, 2010	Submit documents to Texas attorney general
September 7, 2010	Obtained Texas attorney general approval of obligations
September 8, 2010	Closing

SOURCE: Estrada Hinojosa & Co., Inc., March 9, 2010.

DETAILED FINDINGS

CASH MANAGEMENT (REC. 18)

Santa Maria ISD does not follow best practices in overall cash management, policies, and procedures to ensure adequate funds are available to meet district needs and to ensure there are no misappropriations of funds.

While the district has a cash investment policy, the policy is not being followed. After several years of cash flow deficits (from 2006–07 through 2008–09), as shown in **Exhibit 4–6** and **Exhibit 4–7**, the district did not invest excess funds in 2009–10 or 2010–11 due to cash flow problems in these years. Santa Maria ISD has now accumulated cash to avoid borrowing funds for current operations. The district mentioned they could save money by eliminating interest expensed on operating loans. In addition, bank savings continue to be fully insured and fully collateralized with a combination of pledged securities and Federal Deposit Insurance Corporation (FDIC) insurance as of August 31, 2011.

The investment officer does not utilize investment pools for overnight and a short-term investment, rather leaves the excess cash in non-interest bearing accounts in the depository bank. Revenue shortfall from this practice can negatively impact a district's ability to provide services to students.

Investment of funds is governed by Section 2256.005 of the Government Code. In the publication titled *Banks to Bonds: A Practical Path to Sound School District Investing,* Texas Comptroller of Public Accounts states, "Until the money is needed, wise districts invest this excess cash in accounts or instruments that mature or are available in time to meet their

EXHIBIT 4–6
SANTA MARIA ISD GENERAL FUND SUMMARY
2006–07 TO 2009–10

YEAR	REVENUES	EXPENDITURES	OTHER SOURCES (USES)	CHANGE IN FUND BALANCE	ENDING FUND BALANCE
2006–07 Actual	$5,782,227	$6,548,358	$146,044	($620,087)	$40,522
2007–08 Actual	$5,918,605	$6,941,672	$810,970	($212,098)	($171,575)
2008–09 Actual	$5,722,714	$5,154,841	$0	$567,873	$396,298
2009–10 Actual	$6,134,401	$5,191,282	$0	$943,119	$1,339,417

SOURCES: Santa Maria audited financial statements 2006–07 through 2009–10.

EXHIBIT 4–7
SANTA MARIA ISD
GENERAL FUND INTEREST EARNED
2007–08 TO 2010–11

SCHOOL YEAR	INTEREST EARNED IN GENERAL FUND
2007–08	$6,458
2008–09	$1,430
2009–10	$0
2010–11	$0

SOURCES: AEIS detailed revenue 2007–08 through 2009–10;
Santa Maria ISD Business Manager, 2011.

anticipated expenses. The idea is to leave funds fully invested until the money is needed." *A Primer on School Budgeting* states, "The variable timing of receipts and disbursements can cause cash balances to accrue. This routine can be predicted with considerable accuracy, thus enabling (a district) to take advantage of these opportunities to invest funds."

Exhibit 4–8 displays the Santa Maria ISD School Board's current fiscal policy and whether or not the district is in compliance with each area of the policy.

EXHIBIT 4–8
SANTA MARIA ISD
SUMMARY OF BOARD POLICY CDA (LEGAL)
2011

POLICY ITEM	IS DISTRICT WITHIN COMPLIANCE?
Annual review of investment policy	No
Annual audit	Yes
Investment strategies	No
Board designated investment officer	No
Investment officer training-initial	No
Investment officer training-within a two year period	No
Standard of care-Investments	Not investing
Personal interest-Investments	Not investing
Quarterly reports-Investments	Not investing
Selection of broker-Investments	Not investing
Authorized investments-Investments	Not investing
Investment policy to sellers of investments- Investments	Not investing

SOURCE: Santa Maria ISD Board Policy CDA (LEGAL)
issued 10/18/2008, business office, 2011.

The district's investment officer does not ensure that all investments are in instruments that preserves the principal investment. No cash is being invested in any type of investment instrument. An investment instrument is a legal document with a monetary value that has a set maturity date and interest rate, which is given in exchange for a receipt of cash. Board policy CDA (LEGAL) permits investment of district funds in the following investment instruments:

- Obligations of, or guaranteed by governmental entities as permitted by Government Code 2256.009;

- Certificates of deposit and share certificates as permitted by Government Code 2256.010;

- Fully collateralized repurchase agreements permitted by Government Code 2256.011;

- A securities lending program as permitted by Government Code 2256.0115;

- Banker's acceptances as permitted by Government Code 2256.013;

- Commercial paper as permitted by Government Code 2256.013;

- No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.015; and

- Public funds investment pools as permitted by Government Code 2256.16.

Moreover, the district's investment officer/business manager and alternate investment officer/interim superintendent (as required by the Public Funds Investment Act) lack the appropriate investment officer certification, which ensures that the officer knows and understand investment responsibilities under the Public Funds Investment Act. The business manager received investment officer training in 2009, but failed to attend the required follow-up training required to maintain certification (Government Code 2256.008(a) and (b)).

The alternate investment officer/ interim superintendent has also never been certified. According to board policy CDA (LEGAL), investment training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Government Code, Chapter 2256(2), which states in part that the investment officer must:

*except as provided by Subsections (b) and (e), attend an investment training session **not less than once in a two year period and receive not less than 10 hours of instruction relating to investment responsibilities** under this subchapter from an independent source approved by the governing body of the local government or designated investment committee advising the investment officer as provided or in the investment policy of the local government.*

Further, a 12-month cash flow projection used by most districts is not generated by Santa Maria ISD. No type of cash flow projection is being used since all cash is being kept in non-interest bearing accounts in the district's depository.

The 12-month cash flow document is instead a working document to adjust as needed in order to make certain that monies are available for current operations and to plan ahead for months where there is less cash on hand. Additionally, the current year's tax receipts are not received until statements are sent out at the end of October 2011and there is always at least one month that money is not received from the state. A twelve month cash flow template allows a district to plan ahead for known contingencies and provide a cushion for the unknown ones. A cash flow projection identifies reoccurring expenditures and revenues, when they occur and the net effect on cash available to the district. The projection should also include known future atypical revenues and expenditures and a cash cushion for unknown contingencies. A cash flow template can be found at http://www5.esc13.net/finance/index.html.

Exhibit 4–9 shows cash flow projections for September through November of 2011.

Exhibit 4–10 shows the general fund cash availability for August 2006 through 2010 as provided by the district. This exhibit provides historical cash information for the district and notes the district has excess cash for investment purposes.

Since no investments are made, the investment officer does not prepare quarterly investment reports for the school board, which may not foster more trust in the district's financial practices. Board policy CDA (LEGAL) and Government Code 2256.005(i) state that a quarterly investment report must:

1. Contain a detailed description of the investment position of the district on the date of the report.

2. Be prepared jointly and signed by all district investment officers.

3. Contain a summary statement for each pooled fund group (such as, each internally created fund in which one or more accounts are combined for investing purposes). The report must be prepared in compliance with generally accepted accounting principles and must state:

   - Beginning market value for the reporting period;

   - Additions and changes to the market value during the period;

   - Ending market value for the period; and

   - Full accrued interest for the reporting period.

EXHIBIT 4–9
SANTA MARIA ISD CASH FLOW PROJECTION
SEPTEMBER TO NOVEMBER 2011

SOURCE OF CASH	SEPTEMBER	OCTOBER	NOVEMBER	CUMULATIVE
Current Tax Revenue	$5,000	$5,000	$5,000	$15,000
Local Revenue	9,500	50,000	50,000	109,000
State Revenue	778,730	517,464	517,464	1,813,658
Total Revenue	$788,730	$572,464	$572,464	$1,937,158
Expenditures	$491,824	$441,824	$426,824	$1,360,475
Cash Surplus (Deficit)	$296,906	$130,640	$145,640	$577,183

SOURCE: Santa Maria ISD Business office, October 2011.

EXHIBIT 4–10
SANTA MARIA ISD ANNUAL GENERAL FUND CASH AVAILABLE
2006–10

AUGUST 31	CASH AND CASH EQUIVALENTS	INVESTMENTS	DUE FROM OTHER FUNDS	TOTAL
2006	$1,119,057	$0	$8,912	$1,127,969
2007	$168,611	$0	$45,514	$214,125
2008	$729,971	$0	$12,942	$742,913
2009	$852,631	$0	$2,285	$854,916
2010	$773,689	$0	$0	$773,689

SOURCE: Santa Maria ISD Business office, October, 2011.

4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.

5. State the maturity date of each separately invested asset that has a maturity date.

6. State the account or fund or pooled group fund in the district for which each individual investment was acquired.

7. State the compliance of the investment portfolio of the district as it related to the district's investment strategy expressed in the district's investment policy and relevant provisions of Government Code, Chapter 2256.

8. If the district invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the board by that auditor.

The district's investment officer/business manager does not seek direction from the school board for approved investment institutions and investment instruments since he states that board members, through personal communication with him, indicated that they wanted to keep the excess funds in the bank.

Good cash management practices require an effective planning process that uses documented and effective methods for:

- Budget preparation;

- Evaluation of budgeted to actual expenditures;

- Cash flow projections;

- Coordination of work flow and report generation;

- Procedures for efficiency of activities;

- Compliance with Financial Accountability System Resource Guide (FASRG) :

- Monitoring district's financial activities; and

- Maximizing the district's resources.

Santa Maria ISD should implement sound cash management using industry standards and best practices to ensure the appropriate use of district resources.

Further, the investment officer should follow the current investment policy regarding excess cash and manage and maximize district resources by implementing the following practices:

- Annually review the investment policy with the board to ensure investment strategies and policies are being followed.

- Define investment strategies for each group of funds to ensure the suitability of the investment to the financial requirements of the district, the preservation and safety of principal, liquidity; marketability of the investment if the investment needs to be liquidated before maturity, diversification of the investment portfolio, and yield.

- Designate an employee as investment officer to be responsible for the investment of funds. The investment officer must operate with the judgment and care, which a prudent person would exercise in the management of his/her own affairs. However, the board retains the ultimate responsibility as fiduciaries of the assets of the district. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the district.

- Investment officer training of ten hours is required under the Public Funds Investment Act. An investment officer needs to understand the risks and the restrictions under the law and the officer's responsibilities under the law.

- Within the year, the investment officer must have four hours of training in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio in order to be able to continue as the district's investment officer.

- The personal and/or business relationship of the investment officer with a business organization offering to engage in an investment transaction with the district must be disclosed. A statement must be filed with the board and the Texas Ethics Commission if such relationships exist. The board is fiducially responsible for the investments of the district.

- Not less than quarterly, within a reasonable time after the end of the period, the investment officer must prepare and submit to the board a written report of investment transactions for all funds covered by the Public Funds Investment Act.

- Annually, the board must review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the district.

Only authorized investments are allowed to be purchased with district funds. These authorized investments reduce the risk of losing interest and/or principal on the investment. The following are authorized investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, direct obligations of the state of Texas or its agencies and instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas, the United States, or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and bonds issued, assumed, or guaranteed by the state of Israel.

2. Certificates of deposit or share certificates issued by a depository institution that has its main office or a branch office in Texas that is guaranteed or insured by the FDIC or the National Credit Union Share Insurance fund.

3. Full collateralized repurchase agreements that have a defined termination date are secured by obligations of the United States or its agencies and instrumentalities, are pledged to the district, held in the district's name, and deposited with the district or a third party selected and approved by the board, and placed through a primary government securities dealer. The term may not exceed 90 days after the date the reverse security repurchase agreement is delivered.

4. Banker's acceptance, with a stated maturity of 270 days or fewer from the date of issuance that will be liquidated in full at maturity, which is eligible for collateral for borrowing from a Federal Reserve Bank.

5. A securities lending program that is 100 percent collateralized; allows for termination at any time and is secured.

6. Commercial paper that has a stated maturity of 270 days or fewer from the date of issuance and is rated not less than A–1 or P–1; and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under United States law or the law of any state.

7. No-load money market mutual funds that are registered with the Securities and Exchange Commission; provides the district with a prospectus and other information; have a dollar-weighted average stated maturity of 90 days or fewer; and include in their investment objectives the maintenance of a stable net asset value of $1 for each share.

8. A guaranteed investment contract, as an investment vehicle for bond proceeds, if the guaranteed investment contract; has a defined termination date; is secured by obligations under the Government Code; is pledged to the district and deposited with the district.

9. A public funds investment pool meeting the requirements of Government Code 2256.016 and 2256.019, if the board authorized the investment in the particular pool by resolution.

Finally, the district should deliver a written copy of the investment policy to any person offering to engage in an investment transaction with the district. Receive from the qualified representative of the business organization written confirmation that they thoroughly reviewed the district investment policy and that their organization has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by the policy.

Since the onsite visit, the district has identified excess funds in the amount of $1,950,000 available for investing as of August 31, 2011. The TexPool investment rate as of December 19, 2011 was 0.0881 percent. Based on a cash

flow projection provided by the district which indicates that over the next twelve months the average daily excess funds will be $2,771,432.24, the district could earn $8,913 interest over the next 12 months.

This subsequent information shows that the district has adequate funds and needs to implement this recommendation immediately.

Regional Education Service Centers such as Region 1 offer investment officer training and certification through a two-day course at a cost of $100 per person. Therefore, the cost to the district for the business manager and the superintendent to attend investment training would be $200 every other year. Subtracting $200 for training of the total $8,913 annual savings, the district can potentially net $8,713 every other year during training years and $8,913 during non-training years.

TRACKING OF FIXED ASSETS (REC. 19)

Fixed assets are not being tagged or tracked in the district and annual inventories are not conducted.

The district does not inventory assets at the end of each school year.

The general ledger account, investment in fixed assets, reflects the district's investment in fixed assets. This account reflects the amounts invested by the district from day one. As of August 31, 2010, the investment in fixed assets account, net of related debt was $4,622,341.

In addition, as of August 31, 2010, the district's fixed assets were:

• Not being tagged;

• Not being inventoried; and

• Not being reconciled to a master fixed asset list.

This lack of inventory control was observed by the review team during the onsite visit. According to interviews conducted by the review team, the district indicated that the reason for this omission is due to a staffing shortage in the business office. The business office's procedure manual indicates that purchases are delivered to the central office and then distributed to the three campuses. In practice, campuses are called to pick up their items from the central office. Inventory items are not tagged at the central office before they are picked up by campus office personnel. The labels for tagging inventory items are kept in a drawer in the business manager's office; however, they are not being used. The

business manager states that he is not involved with fixed assets and was not able to provide who had this responsibility. The length of time that the district has not been tagging or tracking assets is unable to be determined due to lack of knowledge from staff with the turnover in the business office and district, even though the business manager was previously working in the district. Therefore, a complete inventory and tagging by an outside vendor is needed followed by an adjustment to the fixed assets ledger in order to reflect current inventory on hand.

Without a proper inventory listing of items, items can disappear and not be replaced when obsolete, not insured, or not used as intended by the funding source. Moreover, if items are not tagged and are stolen, there is no proof that the item belongs to the district. For example, if there is a fire or natural disaster that occurs in the district and the inventory is incomplete, the district may not be reimbursed by the insurance company for these items. Furthermore, if the age of an item is not tracked, planning for the replacement of that item may not occur, which would in turn then not be reflected in the budget for that school year. Yet another scenario may be that if a federal audit finds an item not being used for the intended student population, the district may be required to reimburse the purchased item at full cost.

The Texas Education Agency's Financial Accountability System Resource Guide (FASRG), Section 8.5.1.7 recommends developing complete inventories of all furniture, equipment, books, and materials. In addition, FASRG Section 1.5.4.5 recommends assigning the responsibilities for the periodic physical inventories of capital assets to responsible officials who have no custodial or recordkeeping responsibilities.

One example of a school district that uses a best practice concerning their inventory process is Tatum ISD. Tatum ISD's business manager has overall responsibility for capital or fixed assets while the maintenance director is responsible for the annual inventory and maintaining detailed inventory records. Others have responsibilities for materials, supplies and expendable items. All capital assets are tagged when received. The district annually reconciles capital asset expenditures to the capital asset additions. The district maintains a detailed subsidiary record of capital assets and reconciles to the general ledger annually. The district appropriately accounts for capital assets acquired with restricted source funds by including the funding source information in the property records. In addition, the district maintains a list of all property valued at less than $5,000 and

inventories these items on a rotating basis. The inventory also maintains details about the item's location, recording both building address and room number.

Santa Maria ISD should automate fixed assets tracking and conduct an annual physical inventory. Harlingen CISD has a comprehensive fixed assets manual on their website that Santa Maria ISD could use to guide the staff on properly accounting for fixed assets.

A private service provider was contacted for an estimate on the cost of conducting and initial inventorying and tagging all of the district's fixed assets. The vendor estimates the one-time cost at $4,000. It is also recommended that after this initial service is contracted to tag and conduct an inventory, district personnel should maintain the task of tagging and tracking assets. The district should assign a staff member to tag fixed assets and use their current administrative software to track the items since the district already pays for this software and, training services. The Regional Education Service Center 1 administrative software being used by Santa Maria ISD already includes an asset management module the district may use.

DIRECT DEPOSIT OF PAYROLL CHECKS (REC. 20)

While 90 percent of the employees paid on a monthly basis and 30 percent of employees paid on a semi-monthly basis have authorized direct deposit for their payroll checks, not all Santa Maria ISD employees receive payroll through direct deposit.

The payroll clerk stated to the review team that she talks to every employee individually at time of hire about the benefits of direct deposit of their payroll checks, however, some employees do not have a checking account therefore, they were unable to apply for the direct deposit of their payroll checks. Direct deposit is addressed by the business office staff during the time of hire. There is no follow-up with employees after this initial conversation.

Employees not on direct deposit require the payroll clerk to produce paper checks which in turn increases the workload for the payroll clerk and the person preparing bank reconciliation statements. Conversely, direct deposit reduces the possibility of error and of fraud. Efficiencies are lacking without a 100 percent participation in a direct deposit program. Increased efficiency translates to cost savings by eliminating postal costs for mailing checks during the summer months, the cost of maintaining check stock, and the cost incurred to stop payment on lost checks. Most

importantly, direct deposit increases the efficiency of the payroll office since it frees up the payroll clerk's time taken in the sorting and distribution of the payroll checks.

More districts, governmental entities, agencies and companies are going to 100 percent direct deposits due to more cost efficient practices. The Texas Comptroller of Public Accounts publishes cost savings for state agencies who increase direct deposit participation while the Social Security Administration is requiring direct deposit as of March 1, 2013, for social security checks. Finally, a neighboring school district, Edinburg Consolidated ISD, now requires direct deposit for employees' payroll. Edinburg Consolidated Independent School District has recently initiated a 100 percent direct deposit of payroll checks policy. All new employees hired as of September 1, 2011, were required to authorize participation in direct deposit of their payroll checks. As of January 1, 2012, all employees will be required to have authorized direct deposit of their payroll checks.

The Association for Financial Professionals (AFP) estimates that employers save "anywhere from $2.87 to $3.15 per payment by using direct deposit instead of paper checks." The AFP director of payments further states, "Achieving 100 percent adoption of electronic payroll provides employers with increased efficiency, decreased costs, and simplified payroll procedures."

Santa Maria ISD should encourage all employees to utilize direct deposit for payroll checks. The school district's administrative software is not programmed to direct deposit employee and board member reimbursements.

If the use of direct deposit can be raised to 100 percent of SMISD employees, the cost savings to the district per year would be a minimum of $2,376. The estimated savings over a five-year period for Santa Maria ISD is $11,880 ($2,376 annually x 5 years).

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
18. Implement sound cash management using industry standards and best practices to ensure the appropriate use of district resources.	$8,713	$8,913	$8,713	$8,913	$8,713	$43,965	$0
19. Automate fixed assets tracking and conduct an annual physical inventory.	$0	$0	$0	$0	$0	$0	($4,000)
20. Encourage all employees to utilize direct deposit for payroll checks.	$2,376	$2,376	$2,376	$2,376	$2,376	$11,880	$0
TOTALS CHAPTER 4	**$11,089**	**$11,289**	**$11,089**	**$11,289**	**$11,089**	**$55,845**	**($4,000)**

CHAPTER 5

FINANCIAL MANAGEMENT

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 5. FINANCIAL MANAGEMENT

School districts must have the taxpayers trust that their contributions are being managed efficiently and effectively. To ensure the safeguarding of that trust, school districts must implement policies and procedures mandated by the Financial Accountability System Resource Guide (FASRG) and sound accounting practices such as "Best Practices from the Government Finance Officers Association" (GFOA).

The Cameron County Appraisal District provides property valuation for Santa Maria ISD's tax collection function. This is accomplished through an interlocal agreement with Cameron County Tax Collection Office. All tax collections are wired to the school district's checking account. The tax collection rate for 2009–10 was 99.4 percent, as shown in **Exhibit 5–1**. This exhibit further shows trend data for the past five years.

Exhibit 5–2 compares by source of funding all district revenues to peer districts. Federal funds are a larger percent of total revenue for Santa Maria ISD than for the peer districts.

The district's 2009–10 general fund audited expenditures totaled $5,191,262, of which $2,220,561 (42.78 percent) is spent on instruction and $477,897 was spent for general administration. The external auditor is not engaged to perform accounting services during the course of the school

EXHIBIT 5–1
SANTA MARIA ISD TAX COLLECTIONS
CHANGE OVER FIVE-YEAR PERIOD
2005–06 TO 2009–10

DESCRIPTION	2005–06	2006–07	2007–08	2008–09	2009–10	PERCENT CHANGE FROM 2006–07
Appraised Value	$35,190,623	$34,564,325	$36,362,009	$38,362,009	$38,133,308	8.36%
Tax Levy	465,897	541,502	444,049	449,283	468,139	0.05
Current Taxes	414,123	478,614	347,794	360,472	421,032	1.66
Delinquent Taxes	32,356	33,164	46,321	38,122	44,201	36.6
Penalties and Interest	7,313	4,728	22,500	21,997	20,488	180.0
TOTAL COLLECTIONS	**$453,792**	**$516,506**	**$416,615**	**$420,591**	**$485,721**	**7.03%**
PERCENT OF TOTAL COLLECTIONS TO LEVY	**95.8%**	**94.5%**	**88.7%**	**88.7%**	**99.4%**	**96.0%**

Sources: Santa Maria ISD annual financial reports 2006–10; Academic Excellence Indicator System (AEIS) 2005–06 to 2009–10.

EXHIBIT 5–2
BUDGETED REVENUE SOURCES FOR SANTA MARIA ISD AND PEER DISTRICTS
2009–10

DISTRICT	LOCAL	PERCENT OF TOTAL	STATE	PERCENT OF TOTAL	FEDERAL	PERCENT OF TOTAL
Santa Maria	**$504,111**	**6.3%**	**$5,619,662**	**70.5%**	**$1,849,240**	**23.2%**
Presidio	1,946,937	10.3	14,520,840	76.4	2,527,294	13.3
Progreso	2,138,277	10.4	14,889,297	72.2	3,581,212	17.4
Santa Rosa	1,079,410	7.8	10,289,372	73.8	2,570,404	18.4
Peer District Average	**$1,721,541**	**9.5%**	**$13,233,169**	**74.1%**	**$2,892,970**	**16.3**
STATEWIDE TOTAL	**$22,201,594,175**	**47.1%**	**$20,197,428,541**	**42.9%**	**$4,707,843,740**	**10.0%**

Source: Texas Education Agency, AEIS 2009–10.

year; however, performs a comprehensive audit to include all funds on an annual basis. **Exhibit 5–3** shows audited expenditures for 2009–10.

EXHIBIT 5–3
SANTA MARIA ISD GENERAL FUND EXPENDITURES 2009–10

EXPENDITURE CATEGORY	AMOUNT	PERCENT OF TOTAL
Instruction	$2,220,561	42.78%
Instructional and School Administration	324,883	6.26%
Guidance, Counseling, and Evaluation Services	99,274	1.93%
Health Services	28,695	0.06%
Student Transportation	154,338	2.98%
Food Service	642,003	12.37%
Co-curricular Activities	223,006	4.30%
General Administration	477,897	9.21%
Plant Maintenance and Operations	696,298	13.42%
Security and Monitoring Services	7,663	0.15%
Data Processing Services	58,135	1.12%
Community Services	1,438	0.03%
Principal and Interest on Long Term Debt	245,792	4.74%
Other Government Charges	11,299	0.22%
TOTAL GENERAL FUND EXPENDITURES	**$5,191,282**	

Source: 2009–10 Santa Maria ISD Annual Financial Report.

Santa Maria ISD depleted the fund balance at the end of the 2007–08. The Texas Education Agency assigned a financial monitor on October 13, 2008, due to long standing financial issues that the school district had been experiencing according to excerpts from the financial monitor report as shown in **Exhibit 5–4. Exhibit 5–5** provides updated progress made on issues shown in the previous exhibit.

The school district was able to build up the fund balance to an acceptable level by the end of 2009–10 and able to clear up other financial problems (child nutrition program). On August 16, 2011, the commissioner of education made the decision to remove the financial monitor. This action was in response to a letter sent on behalf of the district by their attorney.

Internal control problems have plagued the school business office during the terms of the past three business managers. The financial monitor expressed concern over the business office operations and recommended that the district provide the business office with outside assistance as also shown in **Exhibit 5–5**. The independent auditor for 2007–08 also recommended outside assistance as shown in **Exhibit 5–7**.

Additional assistance for the business office has been cited as necessary since 2007–08 as follows:

- 2007–08: External auditors recommended a CPA other than the audit firm to strengthen internal control over financial reporting.

- November 24, 2008: The monitor advised the superintendent to solicit temporary assistance from Region 1 for the business manager so that the district could be current in the business office functions.

- November 12, 2010: The monitor advised the superintendent to continue the Region 1 contract through 2010–11.

- April 28, 2011: The monitor advised the interim superintendent and board president that discussions with Region 1 should begin as soon as possible to receive support services for the business manager and all business office functions and responsibilities.

As of December, 2011, reported issues by the financial monitor were resolved except for the following:

- The district did not continue the Region 1 contract in order to save money.

- The NCLB desk audit is still pending.

- The 2007–08 financial transaction to possibly refund to TEA up to $168,000 is still pending.

EXHIBIT 5–4
EXCERPTS FROM FINANCIAL MONITOR CONCERNS–FINANCIAL MANAGEMENT
TEA MONITOR FINAL MONTHLY PROGRESS REPORT
FOR MONTH ENDING MAY 2011

AREA OF CONCERN	DATE FIRST IDENTIFIED	NEW CONCERN	ONGOING CONCERN	RESOLVED CONCERN
Child nutrition program accounting.	October 17, 2008			XX
Overstaffing.	October 17, 2008			XX
Business office task issues.	October 28, 2008			XX
Cost-cutting areas of concern.	October 30, 2008			XX
Additional assistance required for business manager.	November 24, 2008			XX
Resignation of superintendent.	November 24, 2008			XX
Five-year plan projections.	March, 2009			XX
Review and revise 2008–09 budget.	March, 2009			XX
Defining business manager duties and responsibilities.	April, 2008			XX
Finalizing revisions to 2008–09 budget.	April, 2009			XX
Additional time required from Region 1 to fulfill contract requirements.	May 5, 2009			XX
TEA letter requiring 2007–08 documentation.	May 8, 2009			XX
Notification of holding of funds from the TDA for child nutrition program claims.	May 15, 2009			XX
TEA preliminary findings of 2007–08 financial transactions-district may be liable for reimbursing TEA up to $168,000.	September 14, 2009	**XX**		
Preparation for child nutrition CRE needs to be coordinated with Region 1.	September 25, 2009	**XX**		
Fund balance of $113,000 for 2008–09 below TEA recommended balance.	January 28, 2010		**XXX**	
Issue of refunding existing debt.	March 1, 2010	**XX**		XX
Accreditation warned effecting 2008 and 2009 FIRST reports for the 2007 and 2008 school years.	March, 2010	**XX**		
NCLB audit on MOE resulted in loss of additional funding.	May 10, 2010	**XX**		
Monitor was advised that the district would be considering the termination of the contract with Region 1 for business office support.	November 12, 2010			XX
Business manager resignation.	April 28, 2011	**XXX**		XX

SOURCE: Texas Education Agency, Division of Financial Audits Monthly Progress Report, May 2011.

EXHIBIT 5–5
EXCERPTS FROM FINANCIAL MONITOR RECOMMENDATIONS–FINANCIAL MANAGEMENT
TEA MONITOR FINAL MONTHLY PROGRESS REPORT
FOR MONTH ENDING MAY 2011

AREA OF CONCERN	DATE FIRST IDENTIFIED	ACTION PLAN STATUS
Child nutrition program accounting	October 17, 2008	Region 1 staff providing assistance to prepare the district for USDA review/audit of child nutrition program. Results of audit are pending.
Overstaffing	October 17, 2008	Region 1 staff and financial consultant are reviewing PEIMS/ financial reports to determine current staffing assignments.
Business office task issues	October 28, 2008	Superintendent was advised of the business office tasks that needed immediate attention and to provide direction and assistance to the business manager to have the tasks addressed.
Cost-cutting areas of concern	October 30, 2008	Superintendent was presented with a list of areas to consider for cost cutting measures.
Additional assistance required for business manager	November 24, 2008	Superintendent was advised to solicit temporary assistance from Region 1 consultant to provide additional support to the business manager so that district can be current in business office functions.
Resignation of superintendent	November 24, 2008	Assistance on a temporary basis needs to be provided to the business manager so that a plan for a smooth transition occurs when a new superintendent is hired. RESOLVED: Superintendent finalist has been named by the Board and will begin duties on January 8, 2009.
Five-year plan projections	March 2009	Plan submitted to TEA
Review and revise 2008-2009 budget	March 2009	Ongoing
Defining business manager duties and responsibilities	April 2008	Ongoing
Finalizing revisions to 2008–09 budget	April 2009	Ongoing
Additional time required from Region 1 to fulfill contract requirements	May 5, 2009	This issue is to be addressed with Region 1 at May 6, 2009 meeting.
TEA letter requiring 2007–08 documentation	May 8, 2009	Meetings were scheduled with Region 1 to address the issue. Ongoing
Notification of holding of funds from the TDA for child nutrition program claims	May 15, 2009	The required corrective action plan is being developed. Ongoing
Preparation for child nutrition CRE needs to be coordinated with Region1.	September 25, 2009	Preparation for audit does not seem to be a high priority with business office personnel.
TEA preliminary findings of 2007 –08 financial transactions-district may be liable for reimbursing TEA up to $168,000;	September 14, 2009	Further documentation is being provided by the district to reduce the amount due to TEA for 07–08.
Fund Balance of $113,000 for 2008–09 below TEA recommended balance.	January 28, 2010	Although the projected amount for school year ending August 2010 will increase the available fund balance, the amount will still be below the amount recommended by TEA.
Issue of Refunding Existing Debt	March 1, 2010	Discussions are underway with the District's Financial Advisors
Accreditation Warned effecting 2008 and 2009 FIRST reports for the 2007 and 2008 school years	March, 2010	
NCLB Audit on MOE resulted in loss of additional funding	May 10, 2010	Appealed to TEA

EXHIBIT 5–5 (CONTINUED)
EXCERPTS FROM FINANCIAL MONITOR RECOMMENDATIONS–FINANCIAL MANAGEMENT
TEA MONITOR FINAL MONTHLY PROGRESS REPORT
FOR MONTH ENDING MAY 2011

AREA OF CONCERN	DATE FIRST IDENTIFIED	ACTION PLAN STATUS
Monitor was advised that the district would be considering the termination of the contract with Region 1 for business office support.	November 12, 2010	The superintendent was advised by the monitor that it would be in the best interest of the district to continue the Region 1 contract through 2010–2011 as stated in the contract.
Business manager resignation.	April 28, 2011	The monitor advised the interim superintendent and board president of recommended action for the district to consider. Discussions with Region 1 should begin as soon as possible to receive support services for all business manager and business office functions and responsibilities.

SOURCES: Texas Education Agency, Division of Financial Audits Monthly Progress Report, May 2011; interviews with business office staff, 2011.

In the last five audit reports, external auditors have noted in their findings the lack of internal control. The reasons given include:

- Lack of budget controls.

- Inefficient cash management.

- Lack of ability to prepare financial statements.

- Lack of skills and knowledge to prevent, detect, and correct a misstatement in the financial statements.

- Lack of reasonable assurance that all transactions are accurately posted to the District's general ledger in a timely manner.

- Lack of accounting oversight.

The effects of lack of internal control reported by the external auditors include:

- Ineffective budget controls and cash management can result in further financial instability and render the District with the inability to satisfy current year obligations.

- Improper accounting can result in the under or overstatement of the district's monies.

- Lack of internal control can result in incomplete or inaccurate data which will diminish the integrity of the district accounting records.

- Material misstatements in the reporting of the district's financial statements may occur and not be detected within a timely period.

- Untimely and inaccurate financial data as well as lack of proper monitoring of all transactions may also result in serious non-compliance issues with grantor agencies.

The recommendations of the external auditors include:

- All bank reconciliations should be performed on a timely basis.

- Any out of balance bank accounts should be investigated immediately and balanced monthly.

- All reconciliations should be reviewed by an appropriate official.

- Implement policies and procedures to ensure that strong budget controls and cash management policies are in place.

- A CPA other than the auditing firm can be part of the district's internal control.

- Improve monitoring of all transactions.

- Adhere to proper accounting policies and procedures required by generally accepted accounting principles.

Exhibit 5–6 summarizes the independent auditors internal control findings from 2005–06 to 2009–10.

Exhibit 5–7 summarizes the independent auditors internal control recommendations from 2005–06 through 2009–10.

EXHIBIT 5–6
SANTA MARIA ISD
FIVE YEAR INTERNAL CONTROL FINDINGS
2005–06 TO 2009–10

CONTROL	AS OF 8/31/06	AS OF 8/31/07	AS OF 8/31/08	AS OF 8/31/09	AS OF 8/31/10
Type of auditor's report issued	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
Financial Reporting					
Material weakness(es) identified?	Yes	Yes	Yes	No	Yes
Reportable conditions(s) identified considered being material weaknesses?	Yes	Yes	Yes	No	Yes
Noncompliance material to financial statements noted?	No	Yes	Yes	No	No
Federal Awards					
Material weakness(es) identified?	No	No	No	No	Yes
Reportable conditions(s) identified considered being material weaknesses?	No	No	No	No	Yes
Noncompliance material to financial statements noted?	No	No	No	No	N/A

Source: Santa Maria ISD annual financial reports, 2005–06 to 2009–10.

EXHIBIT 5–7
SANTA MARIA ISD
FIVE-YEAR AUDIT FINDINGS AND RECOMMENDATIONS SUMMARY
2005–06 TO 2009–10

FINDING	RECOMMENDATION	YEARS
Errors and discrepancies in District's main bank account reconciliations.	All bank reconciliations should be performed on a timely basis.	2005–06 to 2007–08
Assure that resources meet current operating expenditures and satisfy all current debt owed.	Resolve the financial situation as well as prevent future deficits.	2007–08
Staff does not have the skills and knowledge to prevent, detect, and correct a misstatement in the financial statements	Strengthen internal control over financial reporting and monitor ongoing activities. A CPA other than auditing firm can be considered.	2007–08
Failed to maintain adequate back up for certain travel and miscellaneous expenditures	Attach payment request form signed by requestor and authorized by proper official.	2009–10
Five of nine Title I reports did not include FTE calculations nor a CCR expiration date. Four of nine reports were submitted a day late.	Assign only one person to prepare ARRA quarterly reports.	2009–10
Failure to keep proper documentation to support reimbursement requests	Written policy for request for reimbursements for federal programs including proper backup reconciling to general ledger.	2009–10
Lack of Internal Control over Accounting Procedures	Stronger internal control over Accounting Procedures.	2009–10

Source: Santa Maria ISD annual financial reports, 2005–06 to 2009–10.

FINDINGS

- The district is lacking adequate financial management to carry out needed business office responsibilities.

- The district does not have an adequate business office procedures manual.

- Santa Maria ISD does not have a fund balance policy that defines the appropriate level of undesignated, unreserved fund balance in the general fund as recommended by the GFOA.

- The district lacks a comprehensive budget process that ensures input from key administrators.

- Santa Maria ISD financial data is not posted on the district's website as per state requirements.

- The district lacks an evaluation process to determine the need for a School Health and Related Services (SHARS) and Medicaid Administrative Claiming (MAC) programs for eligible students.

- The district's business office has not automated all administrative functions to increase efficiency.

- Santa Maria ISD does not recover the operational costs for the use of district facilities by NINOS, Inc. Head Start and the food serice department.

RECOMMENDATIONS

- **Recommendation 21: Implement overall effective business management practices to ensure fiscal integrity.**

- **Recommendation 22: Create a comprehensive business office procedure manual.**

- **Recommendation 23: Create a fund balance policy.**

- **Recommendation 24: Incorporate Financial Accountability System Resource Guide budgeting module guidelines to ensure key staff is part of the budgeting process.**

- **Recommendation 25: Post required financial data on Santa Maria ISD's website.**

- **Recommendation 26: Develop an evaluation process to determine the need for a School Health and Related Services (SHARS) and Medicaid Administrative Claiming (MAC) programs for eligible students.**

- **Recommendation 27: Automate all administrative functions to increase efficiency.**

- **Recommendation 28: Capture indirect costs associated with overhead for operations in the Head Start and food service programs.**

DETAILED FINDINGS

FINANCIAL MANAGEMENT (REC. 21)

The district is lacking adequate financial management to carry out needed business office responsibilities.

Proper financial management alerts district administration and school boards on the effects of decisions to ensure financial integrity, including the prevention of fund balance depletion or deficit.

Identified practices that negatively impact the efficiency of the business office operations in Santa Maria ISD are as follows:

- The business manager does not possess Texas Association of School Business Officials (TASBO) certification.

- The business office payroll/accounts payable clerk lacks previous school experience prior to being hired to handle these dual responsibilities.

- The payroll/accounts payable clerk received minimal training from the software provider (Region 1).

- There is no segregation of duties to ensure internal control.

- The general ledger is not current as entries are lacking from untimely bank reconciliations.

- There is no calendar or plan to ensure all reporting requirements are met.

- Budget amendments are not made as needed.

- The business office pays for financial modules that have not been implemented.

- Campus administrators do not have access to their respective budgets.

- Reports to the school board, community, or state and federal governments do not have accurate information due to untimely general ledger entries.

- There is little or no oversight and monitoring of financial procedures and functions to ensure internal control.

- The business manager does not routinely meet or update the interim superintendent on the district's financial status.

As previously mentioned, Santa Maria ISD found itself in a deficit fund balance at the end of 2007–08. Due to funding problems and administrative cost limitations, the business office has been downsized over the past five years, even though districts, whether large or small, have the same accounting and reporting requirements.

Currently, the business office staff includes a business manager and a payroll/accounts payable clerk. All finance related activities are assigned to the business office, which includes accounts payable, payroll, accounting, risk management, investments, budgeting, and financial reporting. **Exhibit 5–8** shows the current organizational structure for business operations in the district.

The district has experienced turnover in key administrative positions. The interim superintendent, each school principal, and their secretaries have been on the job less than ninety days. The current business manager previously worked for the district from 1989 to 2000. He was reemployed in

2008–09; however, he left the district in 2010 and was rehired in May 2011. In total, the current business manager has 14 years of experience while the payroll/accounts payable clerk has been on the job for two months.

According to the Texas Education Agency, the state of Texas does not require specific qualifications or certification for the position of school district business manager. TASBO does not have a recommended list of qualifications for school district business managers. In most school districts, business managers have a business degree, TASBO certification, or certification as a Certified Public Accountant with sufficient years of experience in governmental accounting to ensure success as a school business official. The job description for Santa Maria ISD's business manager position currently does not require these qualifications.

Some of TASBO's more than 30 components and competencies of school business offices are listed in **Exhibit 5–9**. Districts use this assessment to ensure compliance with all applicable rules, laws, and requirements in the business office (items that have an asterisk are required indicators for Texas school districts). These components and competencies are needed for small rural districts as well as large urban districts; however, Santa Maria ISD does not utilize this tool to ensure components and competencies for sound financial management.

EXHIBIT 5–8
SANTA MARIA ISD BUSINESS OFFICE ORGANIZATION
2011–12
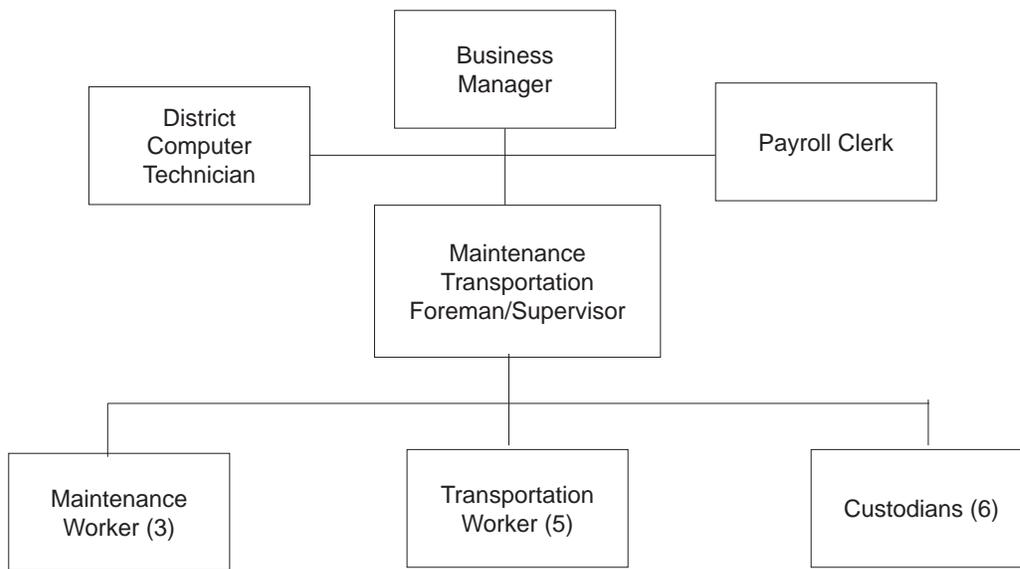
SOURCE: Santa Maria ISD Business Office, September 2011.

EXHIBIT 5–9
SOME COMPONENTS AND COMPETENCIES–ACCOUNTING AND FINANCIAL REPORTING
TEXAS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

ASSESSMENT ITEM	YES/NO/NA
2.1 Use the Financial Accountability System Resource Guide as the financial accounting system for the school district.	
2.1.1 Access to the Financial Accountability System Resource Guide for staff: Appropriate staff has access to the Financial Accountability System Resource Guide and has had appropriate training on the modules that relate to their job	YES/NO/NA
2.1.2 Documented operating procedures: Written operating procedures reflect compliance with the Financial Accountability System Resource Guide.	YES/NO/NA
2.2 Require that the accounting system comply with the requirements of the Governmental Accounting Standards Board and the Financial Accounting Standards Board.	
2.2.1 Basis of accounting: Staff understands the requirements for basis of accounting for funds, fund level statements, and government-wide statements.	YES/NO/NA
2.2.2 Maintenance of information: District maintains information in the appropriate format both for fund level (Public Education Information Management System), and government-wide statements.	YES/NO/NA
2.3 Use an encumbrance system of accounting.	
2.3.1 Encumbrance accounting in Financial Accounting and Reporting Guide: Staff has read Encumbrance Accounting, Section 1.1.6-1.1.6.2, of the Financial Accounting and Reporting Module.	YES/NO/NA
2.3.2 Software relationship with encumbrance accounting: Staff has been trained and understands how software handles encumbrance accounting.	YES/NO/NA
2.3.3 Administrative guidelines for purchase orders: District has procedures manual or administrative guidelines that staff follows for encumbrance accounting system.	YES/NO/NA
2.3.4 Purchase order issuance: Staff issues purchase orders prior to order being placed for the service or product.	YES/NO/NA
2.3.5 Approval process: Guidelines for approval process are included in district Purchasing Manual.	YES/NO/NA
2.3.6 Receipt of goods and payment of purchase order: Process for receiving goods and authorizing payment is in the Purchasing Manual or administrative guidelines.	YES/NO/NA
2.3.7 Liquidation of purchase orders: Procedure for liquidation of purchase orders is in Purchasing Manual or administrative guidelines.	YES/NO/NA
2.3.8 Posting to ledgers: The encumbrance process appropriately posts to all ledgers and is included in all reports at each stage of posting.	YES/NO/NA
2.4 Maintain a system of internal controls (checks and balances).	
2.4.1 Internal controls in Financial Accountability System and Resource Guide: Staff has read Internal Control, Section 1.5, of the Financial Accounting and Reporting Module and all of its related Sub-Topics.	YES/NO/NA
2.4.2 Internal control standards: District has an Internal Control System with standards and guidelines.	YES/NO/NA
2.4.3 Monitoring Internal Control System: District staff follows Internal Control System.	YES/NO/NA
2.4.4 External and internal analysis of Internal Control System. District Internal Control System is analyzed both internally and externally on a recurring basis.	YES/NO/NA
2.5 Recognize revenues and expenditures in the appropriate accounting period.	
2.5.1 Recording revenues and expenditures/expenses: Revenue and expenditures/expenses are recorded in the appropriate accounting period for the basis of accounting required and are in compliance with generally accepted accounting principles.	YES/NO/NA
2.5.2 Accounting period for cash receipts: Staff records all cash receipts in the appropriate accounting period.	YES/NO/NA

EXHIBIT 5–9 (CONTINUED)
SOME COMPONENTS AND COMPETENCIES–ACCOUNTING AND FINANCIAL REPORTING
TEXAS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

2.5.3 Accounting period for disbursements: Staff records all disbursements in the appropriate accounting period.	YES/NO/NA
2.5.4 Accounting period for receivables: Staff records all receivables in the appropriate accounting period.	YES/NO/NA
2.5.5 Accounting period for liabilities: Staff records all liabilities in the appropriate accounting period.	YES/NO/NA
2.6 Reconcile bank statements on a monthly basis.	
2.6.1 Reconcile bank cash to General Ledger cash: Staff reconciles all bank accounts to the general ledger cash accounts within 30 days of receipt of bank statements.	YES/NO/NA
2.6.2 Reconciling items with timing differences: Staff posts reconciling items to the general ledger in an acceptable time period that is not due to timing differences.	YES/NO/NA
2.6.3 Review of reconciled items: Staff reviews reconciling items on an ongoing basis and post adjustments when necessary.	YES/NO/N/
2.7 Ensure a control system for checks is maintained.	
2.7.1 Order of checks Checks are pre-numbered by computer or sequentially numbered when printed.	YES/NO/NA
2.7.2 Inventory of checks: Inventory of checks is accounted for when received from printer and until used.	YES/NO/NA
2.8 Establish and maintain a fixed asset accounting system.	
2.8.1 Capitalization policy: District has a capitalization policy that is reviewed and revised according to administrative guidelines.	YES/NO/NA
2.8.2 Detailed ledger for capital/fixed assets: District has detailed listing of capital/fixed assets that reconcile to the general ledger and audited financial statements.	YES/NO/NA
2.8.3 Reconciled detail: Fixed/capital assets included in the General Ledger and on the district's financials can be substantiated by an available reconciled detail.	YES/NO/NA
2.8.4 Fixed/capital asset capitalization policy: Assets recorded for depreciation purposes in proprietary funds and/or district-wide financial statements are reflected in the fixed/capital asset capitalization policy.	YES/NO/NA
2.8.5 Asset tracking: Districts accounting policy and/or board policy addresses asset tracking, accountability, and disposal.	YES/NO/NA
2.8.6 Annual inventory: Annually, district verifies location and condition of assets.	YES/NO/NA
2.9 Prepare accurate periodic financial reports for all stakeholders.	
2.9.1 Reports for budgetary managers: Staff makes available system reports of budgetary information to applicable personnel on a consistent basis.	YES/NO/NA
2.9.2 Management reports: Management reports are available monthly and upon request.	YES/NO/NA
2.9.3 Customized reports: Customized reports are available to the board on a monthly basis.	YES/NO/NA
2.10 Submit accurate financial reports through the Public Education Information Management System to the Texas Education Agency.	

SOURCE: Texas Association of School Business Officials, 2011.

The FASRG states, "A strong system of internal control enables the school district to ensure that resources are properly handled, properly used and are available for management and the board's designation." FASRG further mentions, "The extent of internal control that a school district should establish is a judgment that must be made by management. Management's judgment regarding the extent of internal control necessary is affected by circumstances such as the size of the organization and the number of personnel available. Consideration must be given to the relationship between costs and benefits.

Many negative consequences can arise with the lack of segregation of duties and lack of internal controls. Bank reconciliations identify adjustments to the general ledger. Reconciliations of bank statements are not completed timely, which may cause issues concerning the integrity of financial reports since balances will not be current. Budget management and cash management requires accurate, up-to-date financial reports, especially expenditure reports. In addition, school board decisions may be negatively impacted by the lack of information or understated expenditure reports. If expenditures are not recorded in a timely manner, decision makers may overspend while thinking sufficient funds are available to cover proposed expenditures. Material misstatements in the district's financial statements are not found and corrected until the end of the external audit process. Additionally, requests for reimbursement from federal programs may also be negatively impacted by material misstatements in the district's financial statements.

Segregation of duties such as deposit preparation, bank deposits, and preparation of bank reconciliations, is required to safeguard assets. One person, the business manager, performs these functions and therefore segregation of duties is lacking in this district for internal control.

Independent auditors for the past five years issued an unqualified opinion on compliance for state and federal funds. The independent auditor for fiscal year 2009–10 also uncovered that federal reimbursement requests were submitted late, incomplete, or incorrect; however, discrepancies were cleared after the general ledger was corrected.

Exhibit 5–10 shows key elements related to internal controls per FASRG and those internal controls implemented in Santa Maria ISD.

It is critical for internal control and accurate data that the general ledger be current. The district should hire temporary short-term professional assistance to complete all bank reconciliations and prepare the general ledger. Once the general ledger is current, the superintendent and school board should take an active role to ensure all reconciliations, the general ledger, and all reports are kept current.

Santa Maria ISD should implement management practices to ensure fiscal integrity. Steps to be taken include the following:
- Incorporate the TASBO components and competencies to ensure proper accounts and financial reporting.

- The payroll and accounts payable responsibilities should be distributed to two individuals. Segregating these responsibilities allows the business manager to delegate some of the responsibilities to better monitor the overall accounting system.

- The business manager prepares deposits, codes deposits, takes deposits to the bank, posts deposits to the general ledger, and also reconciles the bank statements. These duties need consideration for realignment to implement dual control.

EXHIBIT 5–10
FASRG INTERNAL CONTROLS COMPLIANCE

FASRG	SANTA MARIA ISD'S INTERNAL CONTROLS
FASRG Section 1.5.3 Internal Control List, question 31 states, "Are various phases of payroll work, such as timekeeping, compilation of payroll, writing paychecks, filling envelopes, and distribution of employees checks divided among a sufficient number of persons?"	The payroll clerk adds employees to the payroll system, processes check transactions, and produces payroll checks. Segregation of duties would preclude the payroll clerk from adding employees.
FASRG Section 1.5.3 Internal Control List, question 18 states, "Are accounts payable personnel independent of purchasing and of the cashier or person signing checks?"	The accounts payable clerk generates payments to all vendors. The accounts payable clerk also assists the business manager with the purchasing process by maintaining the requisition system and generating purchase orders.

Source: FASRG, Santa Maria ISD business office, 2011.

- Santa Maria ISD should immediately bring the general ledger current. The business manager needs to monitor and maintain an up-to-date general ledger for an effective and accurate accounting system.

- Use the recommended TASBO website to implement a master calendar with checklists for daily, monthly, quarterly, and yearly functions that the business office staff can follow to ensure an effective and accurate accounting system. The following checklists and useful websites for many of the functions can be found at www.tasbo.org/resources/toolstemp/dates/master-calendar.

A business office checklist with due dates and work due each month should be actively used. For example, the month of January checklist contains:

  ◦ Superintendent's contract; superintendent's approval form;

  ◦ Run and distribute W2's to employees by January 31st; remind staff that amount on W2 is net of annuities-TRS-Cafeteria Plan Amount.;

  ◦ Odd years-start work on bank depository bids;

  ◦ After audit is complete, work on mid-year Public Education Information Management System second submission of financial data from previous year;

  ◦ After audit is complete, use Financial Integrity Rating System of Texas template to determine rating for prior year;

  ◦ Check comptroller's preliminary values. Start protest if necessary;

  ◦ Complete E-Rate 471 application;

  ◦ Tax table revisions per IRS Circular E, if necessary before the first January payroll;

  ◦ 4th quarter 941 due to the Internal Revenue Service by January 15th;

  ◦ 4th quarter sales tax report for student activity fund raisers due January 20th; and

  ◦ Internal Revenue Service 1099s due to vendors by January 31st.

A business office checklist for work to be done daily, weekly, monthly, and yearly. A sample of the monthly checklist is as follows:

  ◦ Reconcile bank statements to books and obtain appropriate approval signature and date;

  ◦ Record interest earned;

  ◦ Send budget reports to all departments;

  ◦ Follow-up on outstanding checks;

  ◦ Reconcile due to and due from accounts;

  ◦ Reconcile general ledger accounts, such as receivables and payables;

  ◦ Payroll duties; and

  ◦ Board, state, and federal reports.

There is also a checklist for payroll, personnel, and employee benefits for each month; and a check list for food service, transportation, PEIMS, records management, and purchasing for each month. Additionally, there are templates for budget preparation, cash position and investment report, and quarterly investment report.

The lists should be updated to include district specific items and then the lists should be distributed to the appropriate personnel. The superintendent and the business manager should use these lists to verify work is completed with accuracy and on a timely basis.

The business manager should prepare a detailed list of all financial management processes and practices showing the status of each and the action to be taken in order to meet acceptable financial management practices according to FASRG and TASBO requirements. After reviewing the requirements and gaining approval from the superintendent, the business manager should seek outside assistance for needed action in order to ensure that Santa Maria ISD is current on all financial management processes and practices. The fiscal impact cannot be determined until a detailed list of needs is developed to seek outside services.

BUSINESS OFFICE PROCEDURES MANUAL (REC. 22)

The district does not have an adequate business office procedures manual.

The district recently experienced turnover in a majority of clerical staff. **Exhibit 5–11** shows the hire date of essential

EXHIBIT 5–11
ADMINISTRATIVE CLERICAL STAFF TIME ON JOB
OCTOBER 2011

POSITION	DATE HIRED	MONTHS AT POSITION
Superintendent's secretary	August 1, 2011	2 months
Elementary campus secretary	August 1, 2011	2 months
Middle school secretary	August 1, 2011	2 months
High school secretary	August 1, 2011	2 months
Accounts payable/payroll clerk	August 1, 2011	2 months

SOURCE: Interviews with individuals holding these positions, October 2011.

clerical staff. New clerical staff often needs clearly written business office procedures to assist in their learning curve in a new position. A comprehensive business office procedures manual is just as necessary for campus and department secretaries to complete their duties accurately as it is for the business office staff. A comprehensive business office manual often expedites the learning process and ensures a district's continuity of work.

The current business office procedures manual is primarily a schedule of work flow rather than procedures for completing specific tasks as can be seen in **Exhibit 5–12**.

The district should create a comprehensive business office procedures manual. The district's administrative software is supplied and supported by Region 1 who could be instrumental in providing procedures on how to do various business office functions.

EXHIBIT 5–12
SANTA MARIA ISD SAMPLE PROCEDURES AND RECOMMENDATIONS
2011

DEPARTMENT/SECTION	SAMPLE OF SANTA MARIA ISD BUSINESS OFFICE PROCEDURES MANUAL - CURRENT	RECOMMENDATIONS FOR ADDITIONAL TOPICS OR PROCEDURES
Accounts Payable	Accounts Payable will approve requests and forward them to the Business Manager for approval.	If not approved, what is process?
Departments/Campuses	Requisitions can only be entered to the system on Mondays and Tuesdays 8:00-5:00 PM and Wednesdays 8:00 PM–12:00 PM.	How is a requisition entered into the system? Should a copy be kept? If so, for how long? What if an error is made? How can it be fixed?
Accounts Payable	Print 1099s annually.	By what date should they be printed? How is the accuracy of 1099s determined? What do you do if the vendor states there is a discrepancy? How and when are the 1099s distributed?
Accounts Payable	Purchase orders not used after 60 days will be closed.	Who is responsible for closing purchase order? How do you close a purchase order?
Payroll	Issue monthly insurance payments (reconcile/print billing statements).	Once the billing and deductions are reconciled, how do you address any discrepancies? If an employee was not deducted, what documentation is needed in order to deduct the pay check? How do you determine if the billing is correct or the deduction is correct?
Payroll	Process semi-monthly and monthly payrolls for professional and auxiliary personnel.	What is the process? How do you enter into the computer? Who determines salary or wage? What is needed to enter a payroll deduction? When are deductions allowed to be changed?
Payroll	Reconcile W-2s at the end of the year.	By what date should they be printed? How is the accuracy of W–2s determined? What do you do if the employee states there is a discrepancy? How and when are the W–2s distributed?

SOURCE: Santa Maria ISD Fiscal Manual, October 2011.

The district should contact other districts who use the same software for examples of business office procedure manuals. Harlingen Consolidated ISD has a complete business office procedures manual on their website showing how to perform each business office function as shown in **Exhibit 5–13**.

EXHIBIT 5–13
SAMPLE BUSINESS PROCEDURES TOPICS
HARLINGEN CONSOLIDATED ISD

Accounting Information Topics
- Student Activity Fund Procedures manual
- Fixed Assets Manual
- *Financial Training Manual for Campuses and Dept Secretaries*
- Grant Compliance Binder
- Finance Plus Budget Ledger Lookup
- Vendor Payment Report
- Vendor Transactions
- Expenditure Status Report to Screen
- Budget Transfer Request Form
- Resource Guide-TEA
- 2011–12 Official Budgets

Table of Contents for Financial Training Manual for Campuses and Dept Secretaries
- Resource Guide Fiscal Year 2011–12
- Transfers & Budget Amendments
- Displays & Queries
- *Expenditure Status Reports*
- Expenditure Audit Trails
- Transfer of Equipment Form
- Accounts Payable
- Outstanding Encumbrance Report
- Vendor Transactions
- Sales Tax Report
- Travel
- Miscellaneous Items

Topics for Expenditure Status Reports
- Definition
- Types of reports
- How to enter Fund Code
- How to enter Account
- How to enter Year
- How to see requisitions
- How to copy report
- How to print report

Source: Harlingen Consolidated ISD Accounting Information, 2011–12.

This recommendation can be accomplished with existing resources.

FUND BALANCE (REC. 23)

Santa Maria ISD does not have a fund balance policy that defines the appropriate level of undesignated, unreserved fund balance in the general fund. Fund balance represents the district's reserves and is similar to a savings account. These reserves are used by district management and the board for emergencies and/or other expenditures not anticipated at the time the budget was approved. Districts often accrue or build fund balances to pay for large expenditures, such as multiple bus purchases, that are not affordable in a single year.

The GFOA states "governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund." In addition, GFOA states, "governments…regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures."

The fund balance at the end of Fiscal Year 2007–08 was depleted to ($353,673). Santa Maria ISD however, has steadily increased its undesignated fund balance over the past two years and is no longer in a deficit fund balance situation as shown in **Exhibit 5–14**.

Reserves resulting from an adopted fund balance policy will allow a district to accommodate any unanticipated emergencies or necessary budget increases resulting from enrollment increases or a revenue shortfall resulting from enrollment decreases. During the course of the school year, districts constantly monitor expenditures and make necessary budget adjustments. Enrollment increases result in additional revenue but enrollment decreases result in less revenue than anticipated. Districts must have a reserve to fall back on since districts, without an adequate reserve, will deplete their fund balance due to unforeseen expenditures or from a loss of revenues.

Santa Maria ISD should create a fund balance policy as recommended by the GFOA. The recommendation of a policy should include the GFOA's recommendation of two months reserve. **Exhibit 5–15** is a sample policy from TASBO.

This recommendation can be accomplished with existing resources.

EXHIBIT 5–14
THREE–YEAR FUND BALANCE
PEER COMPARISONS
2006–07 TO 2009–10

DISTRICT	FUND BALANCE 2008–09 (AUDITED)	PERCENTAGE OF TOTAL BUDGETED EXPENDITURES (2009–10)	FUND BALANCE 2007–08 (AUDITED)	PERCENTAGE OF TOTAL BUDGETED EXPENDITURES (2008–09)	FUND BALANCE 2006–07 (AUDITED)	PERCENTAGE OF TOTAL BUDGETED EXPENDITURES (2007–08)
Santa Maria	**$112,943**	**2.1**	**($353,673)**	**(6.4)**	**$40,522**	**0.7**
Presidio	$4,504,287	28.6	$3,780,892	25.9	$3,640,192	28.6
Progreso	$7,063,148	41.7	$4,420,758	28.2	$3,454,801	22.1
Santa Rosa	$1,680,848	16.6	$904,626	8.5	$569,448	5.5

SOURCE: Texas Education Agency AEIS reports, 2006–07 to 2009–10.

EXHIBIT 5–15
PROPOSED SANTA MARIA ISD BOARD POLICY
CE (LOCAL) ANNUAL OPERATING BUDGET
2011

FUND BALANCE CLASSIFICATION	Fund balance classification shall be recorded in accordance with governmental accounting standards as promulgated by the Governmental Accounting Standards Board.
ORDER OF EXPENDITURE	The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned. Negative amounts shall not be reported for restricted, committed, or assigned funds.
FUND BALANCE	Fund Balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. Governmental fund assets are those of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.
FUND BALANCE OF THE GENERAL FUND	The fund balance of the general fund, one of the governmental fund types, is of primary significance because the general fund is the primary fund, which finances most functions in the District. The fund balance of the general fund shall mean the gross difference between general fund assets and liabilities reflected on the balance sheet. The five classifications of fund balance of the governmental types are as follows:
NON–SPENDABLE FUND BALANCE	1. Non-spendable fund balance shall mean the portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use (such as the self-funded reserves program).Examples of non-spendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: • Inventories; • Prepaid items; • Deferred expenditures; • Long-term receivables; and • Outstanding encumbrances.
RESTRICTED FUND BALANCE	2. Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor. Examples of restricted fund balances include: • Child nutrition programs; • Technology programs; • Construction programs; and • Resources from other granting agencies.
COMMITTED FUND BALANCE	3. Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Board. Examples include: • Potential litigation, claims, and judgments; and • Campus activity funds

EXHIBIT 5–15 (CONTINUED)
PROPOSED SANTA MARIA ISD BOARD POLICY
CE (LOCAL) ANNUAL OPERATING BUDGET
2011

ASSIGNED FUND BALANCE	4.	Assigned fund balance shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Superintendent or designee.
		In current practice, such plans or intent may change and may never be budgeted, or may result in expenditures in future periods of time.
		Examples include: • Insurance deductibles; • Program star-up costs; and • Other legal issues.
UNASSIGNED FUND BALANCE	5.	Unassigned fund balance shall include amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.
		The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.

SOURCE: (Local) board policy draft supplied by the Texas Association of School Business Officials website, 2011.

BUDGETING PROCESS (REC. 24)

The district lacks a comprehensive budget process that ensures input from key administrators. The budgeting process was abbreviated in 2010–11 due to significant turnover in a number of key positions and the current year budget was prepared by the business manager without assistance from other key administrators.

In 2009–10 in preparation for the 2010–11 budget, SMISD followed the TEA recommended budget process. Due to a complete staff turnover in 2011 the review team could not determine if procedures were being followed in previous years. According to the business manager, who was hired in May 2011, he prepared the district's current year budget because of turnover in two of the three principal positions, in transportation/ maintenance director position, cafeteria manager position and in the superintendent position. These positions were then filled after the re-hiring of the current business manager. **Exhibit 5–16** provides dates that current administrators and principals were hired by Santa Maria ISD.

FASRG 2.7.2.2 recommends the use of a budget calendar as shown in **Exhibit 5–17**.

As shown in **Exhibit 5–16** and **Exhibit 5–17**, the budget process should have been completed in the third month by the date the business manager was hired. Additionally, the sample budget calendar shows that after only 15 days on the job, the interim superintendent should have conducted a

EXHIBIT 5–16
CURRENT ADMINISTRATORS AND PRINCIPALS HIRE DATES
2011–12

POSITION	HIRE DATE
Superintendent	July 1, 2011
Business Manager	May 1, 2011
Maintenance/Transportation Supervisor	August 1, 2011
Middle School Principal	August 1, 2011
Elementary School Principal	August 1, 2011

SOURCE: Santa Maria Business Office, October 2011.

budget workshop with the board. The calendar also shows that the budget draft should have been ready a day before the principals and supervisor were hired.

FASRG 5.2 states, "Each school district is required to adopt a policy and have administrative procedures to establish a district-and campus-level planning and decision making process. This process must involve professional staff of the district, parents and community members in establishing and reviewing the district's and campuses' educational plans, goals, performance objectives and major classroom instructional programs. (TEC 11.251(b and)" Campuses, departments, superintendent and community *need to have input into the budgeting process to ensure the budget supports instruction and other aspects of the operation of the school district.* If the budget does not reflect the needs of the district, the district will fail to meet the needs of the students. In

EXHIBIT 5–17
BUDGET CALENDAR SAMPLE
2011–12

TARGET DATE	ACTIVITY/PROCESS	RESPONSIBILITY
2–24–11	Budget process approved	Superintendent
2–25–11	Projected enrollments developed	Assistant superintendent for administration
3–6–11	Budget process outlined to principals and staff	Superintendent and assistant superintendent of finance
3–8–11	Beginning of campus budget preparation	Principals/staff/RPGs
3–8–11	Beginning of special program and support service budget preparation	Special program and support departments
4–1–11	Completion of campus budgets	Principals
4–3–11	CIC advisory review	CICs
4–6–11	Campus budgets forwarded to PRC	Principals
4–6–11	Completion of special program and support service budgets	Special program and support service administrators
4–8–11	Initiate PRC review of campus budgets and non-allocated requests	Peer review committee chair
4–22–11	Complete PRC review of campus budgets	Peer review committee
4–22–11	Complete prioritization of non-allocated requests	Peer review committee
4–27–11	Initiate BRT review of campus budgets and non-allocated requests	Budget review team chair
5–15–11	Complete BRT review of campus budgets and non-allocated requests	Budget review team chair
5–18–11	Review projected revenue estimates	Superintendent and assistant superintendent of finance
5–19–11	Initiate superintendent's review of preliminary district budget	Superintendent
5–21–11	Review personnel staffing and proposed salary schedule	Superintendent and assistant superintendents
5–22–11	Review of building maintenance, renovation, and future construction schedules	Superintendent and assistant superintendents
6–1–11	Complete superintendent's review of preliminary district budget, personnel requirements, facility requirements, and projected revenue	Superintendent and assistant superintendents
6–8–11	Complete first draft of district budget	Superintendent
6–16–11	Budget workshop	Superintendent and school board
6–24–11	Administrative budget meeting	Input from citizens
7–16–11	Budget workshop	Superintendent and school board
7–30–11	Complete final budget draft	Superintendent and assistant superintendent of finance
8–6–11	Preliminary public budget hearing	School board, superintendent, and assistant superintendent of finance
8–13–11	Official public budget hearing	School board, superintendent and assistant superintendent of finance
8–27–11	Budget adopted	School board

SOURCE: Financial Accountability Resource Guide, Section 2.7.2.7 Exhibit 4, January 2010.

Section 5.3.1, FASRG also states, "…it is highly recommended that the superintendent, in collaboration with the school board, utilize site-based budgeting methods in the development of the school district's annual budget."

A Primer on School Budgeting, published by Technomic Publishing Company, Lancaster, PA, 1998, states "budgeting should no longer be done by just one or two administrators in each district. Rather the people affected by its results must have some role in the process." The district should incorporate Financial Accountability System Resource Guide budgeting module guidelines to ensure key staff is part of the budgeting process.

This recommendation can be accomplished with existing resources.

POSTING OF FINANCIAL DATA ON WEBSITE (REC. 25)

Not all of Santa Maria ISD financial data is posted on the district's website as mandated by the state.

According to interviews with the business manager, the district is not aware of the requirements in the Texas Education Code, Tax Code, Local Government Code and Government Code regarding financial data that is to be posted on the district's website as shown in **Exhibit 5–18**.

While the district has posted the summary of proposed budget/adopted budget for 2009–10 and 2010–11, the district had not yet posted the 2011–12 proposed budget/adopted budget and had not posted the district's proposed maintenance and operations tax rate, conflict disclosure statements, bill of rights for property owners whose property may be acquired by governmental or private entities through the use of eminent domain authority, annual financial and compliance report, evaluation of state compensatory education, and payments for electric or natural gas utility services.

FASRG 7.1 states, "A school district's ability to provide accurate, timely information to a variety of audiences may significantly affect the relationship the school district has with its employees, the taxpayers of the school district and outside funding agencies."

The public is concerned with the recent reduction in force that the district implemented due to a funding shortfall. During the site visit, community members expressed concerns about the school district's management decisions.

Posting of financial data as well as other data that the public needs to know would ease misconceptions of actions taken by the district.

Financial transparency is required by Texas Education Code, Texas Government Code, Tax Code, and Local Government Code. Compliance with these requirements is absolutely necessary in order for the public to be supportive of the district (see **Exhibit 5–18**). Marfa ISD is a district approximately the same size and budget as Santa Maria ISD that has all of the required postings on the Marfa ISD website.

EXHIBIT 5–18
REQUIRED INTERNET POSTINGS
2010–11

DESCRIPTION	CODE	SECTION
Summary of Proposed Budget	Texas Education Code	44.004
Adopted Budget	Texas Education Code	39.084
Proposed Maintenance and Operations Tax Rate	Tax Code	26.05(b)
Conflict Disclosure Statements	Local Government Code	176.009
Bill of rights for property owners whose property may be acquired by governmental or private entities through the use of eminent domain authority	Texas Government Code	402.031 & 21.0112
Annual Financial and Compliance Report	Financial Accountability System Resource Guide 7.3.6	Update 14 Financial Accountability System Resource Guide
Evaluation of State Compensatory Education	Financial Accountability System Resource Guide 7.3.7 State Compensatory Education Audit	Update 14 Financial Accountability System Resource Guide
Payments For Electric, Water, or Natural Gas Utility Services	Texas Government Code	2264.001(B)2

Source: Texas Education Code, Texas Government Code, Texas Tax Code, Financial Accountability System Resource Guide, 2011.

Santa Maria ISD should post the required financial data on the district's website. The business manager should also instruct the technology coordinator to assist in posting required data on the website and should develop a process to ensure that posted information is updated on a routine basis.

This recommendation can be accomplished with existing resources.

SHARS AND MAC REIMBURSEMENT REVENUE (REC. 26)

The district lacks an evaluation process to determine the need for School Health and Related Services (SHARS) and Medicaid Administrative Claiming (MAC) programs for eligible students.

The district does not participate in School Health and Related Services (SHARS) or in the Medicaid Administrative Claiming (MAC) Program. Therefore, the district bears the full cost of any services provided to students eligible for these programs. SHARS and MAC programs are administered by the Texas Health and Human Services Commission (HHSC). "SHARS allows local school districts to obtain reimbursement for certain health-related services provided directly to children enrolled in special education."

Current SHARS services include:
- Assessment;
- Audiology;
- Counseling;
- School health services;
- Medical services;
- Occupational therapy;
- Physical therapy;
- Psychological services;
- Speech therapy;
- Personal care services; and
- Special transportation.

According to TEA, "the MAC program allows school districts to be reimbursed for certain medical and health related activities such as outreach services delivered to students within the district, regardless of whether the student is Medicaid eligible or not. Outreach services may be provided to a student or their family and may include activities such as coordinating, referring, or assessing the student/family in accessing needed medical/health or mental care services."

The district's business manager stated that the practice of claiming health related services through these programs is not performed due to lack of staff. The business manager further stated that the expense related to participating in these programs is not offset by the possible revenues the program may bring in. However, the district has not conducted an evaluation to determine what services are being performed for regular or special education eligible SHARS/MAC students that may be receiving needed services. The primary intent of the program is to provide the services for the students/families but may also help school districts in reclaiming part, some or all of their expenses when assisting these students in accessing the needed modifications.

The 2009–10 AEIS indicates that there are 25 special education students being served by the district, however the review team was unable to obtain records from the district regarding services or other pertinent information regarding students that may be SHARS/MAC eligible and are not receiving services through their eligibility in the program(s).

The district may be missing out on additional revenue from services being provided to Medicaid eligible students to help cover these expenses. Additional revenues after expenditures are met would allow a district to provide a greater level of service for these students.

While the Health and Human Services Commission (HHSC) sent a memo to all Texas superintendents notifying them of the opportunity to participate in the SHARS and MAC programs, it is unknown whether the district received the memo and decided not to act on it due to a shortage of staff in the business department or for other reasons. It is also unknown if the memo was brought before the board to discuss whether or not the district should consider this program.

The memo instructs the superintendent on how to obtain a MAC contract with the State of Texas and how to enroll as a SHARS provider. There are detailed instructions about the process at the HHSC website.
- To obtain a MAC contract with the State of Texas participation documents are located on the MAC ISD website at: http://www.hhsc.state.tx.us/rad/mac/isd-mac.shtml.
- To enroll as a SHARS provider the enrollment form is on the Texas Medicaid and Healthcare

Partnership website at: http://www.tmhp.com/Pages/ProviderEnrollment/PE_Home.aspx

- Additional information can be found on the HHSC, Rate Analysis Department website at: http://www.hhsc.state.tx.us/rad/acute-care/shars/enrollment.shtml.

- The MAC program website at: http://www.hhsc.state.tx.us/rad/mac/isd-mac.shtml.

- The SHARS program website at: http://www.hhsc.state.tx.us/rad/acute-care/shars/index.shtml.

- Random Moment Time Study website at: http://www.hhsc.state.tx.us/rad/time-study/ts-isd.shtml.

The district should develop an evaluation process to determine whether any SHARS or MAC students are receiving services, how many students indeed receive such services, what cost has this been to the district, what costs can be recaptured for these services by the district, and if any savings result, where these funds can be implemented to better meet the needs of these students.

This recommendation can be implemented with existing resources.

AUTOMATE BUSINESS OFFICE FUNCTIONS (REC. 27)

The business office has not automated all administrative functions to increase efficiency.

Santa Maria ISD contracts with Region 1 to provide application software and support for portions of the district's financial functions such as finance, payroll accounting, and purchasing. The implementation of the purchasing software has eliminated costly paperwork and frustrating delays attributed to a manual system.

However, the district has yet to automate other financial functions such as budgeting, textbook accounting, and fixed assets tracking. **Exhibit 5–19** provides the implementation status of administrative software modules available and paid for by Santa Maria ISD. As indicated, less than half of the modules available are implemented by the district.

Failure to fully automate all available modules costs the district staff time and energy and can lead to errors due to continued manual processing. A centralized computer system increases efficiency and aids management ability to make sound business decisions. FASRG 7.2.7.2 further supports this position by stating, "…technologies have yielded

EXHIBIT 5–19
CURRENT ADMINISTRATIVE SOFTWARE MODULES 2011–12

ADMINISTRATIVE MODULE	IMPLEMENTED	CURRENTLY AVAILABLE TO
Accounts Receivable	No	Central office
Asset Management	No	Central office
Budget	No	Central office
Finance	Yes	Central office
Human Resources	No	Central office
Payroll	Yes	Central Office
PEIMS	Yes	Central office and campuses
Purchasing	Yes	Central office and campuses
Warehouse	No	Central office

Source: Main Menu; TxEIS software, October 2011.

increases in productivity and effectiveness of office personnel, particularly in the areas of data collection and reporting."

Edinburg Consolidated ISD has completely automated all of their administrative and business functions. Santa Maria ISD has the programs available to them at no extra cost. Some of the data for the modules already exists in other modules. For example, PEIMS and/or finance data could be used to populate the human resources and budgeting modules; however, the fixed assets module would need full implementation as indicated in the asset and risk management chapter of this report.

The business office should automate all administrative functions to increase efficiency. Inquiry-only access should be given to the department and campuses for the finance module. Training on the use of software must be provided by Region 1 for proper implementation and use of software modules.

This recommendation can be accomplished with existing resources.

INDIRECT EXPENSES (REC. 28)

Santa Maria ISD does not recover the operational costs for the use of district facilities by NINOS, Inc. Head Start and the food service department.

Santa Maria ISD entered into an agreement through a Memorandum of Understanding (MOU) with NINOS Inc. Head Start to provide educational services for three-year old children. The district agreed to provide facilities for the Head Start program at no charge to NINOS Inc. NINOS Inc. Head Start is a federally funded program that is administered separate from the Texas Education Agency. The state of Texas has not provided a funding source for local school districts to subsidize Head Start programs.

The Head Start program is utilizing approximately 2,750 square feet of space in the elementary school for two classrooms and an office. This equates to 1.78 percent of the total instructional square footage of Santa Maria ISD. Using this percentage as a basis, the district is expending approximately $15,000 annually to provide maintenance, custodial, and utility service for the Head Start program as shown in **Exhibit 5–20**.

Santa Maria ISD cannot afford to subsidize an outside agency. The district has reduced their expenditures for plant maintenance and operations by $159,772 (as referenced in **Exhibit 8–6** in this report) and has a large backlog of deferred maintenance. By continuing to subsidize NINOS Inc. Head Start, the district is making it even more difficult to meet plant maintenance and operation needs.

In addition, the district is also not billing the food service fund for indirect expenses associated with overhead costs incurred by the district. The indirect expenses associated with food service operations include water, electricity, maintenance, and insurance.

Finances for food service operations are accounted for in the district's general fund. As per FASRG, the food service fund is accounted for in sub-fund 101 and is a program that is seen as an integral part of school district operations. Food service programs are allowed to use their funds only for food service operations, therefore, it is necessary that the district expense all related costs to the program. Districts must maximize all sources of revenue for general funds and not subsidize any other operation that can legitimately pay its own way. Overhead expenses can accumulate to large sums and currently, the district is paying for all the utility costs, insurance and upkeep to the building space that food service and Head Start operations occupy. These costs should be reimbursed to the district and used for instruction or other operations. Cost allocation for utilities, custodial and other expenses related to housing an operation in a shared facility should be based on a square footage basis. In lieu of separate metering systems, staff dedicated to occupied space or separate accounting for other overhead expenses, a square footage calculation is an option available to recover these costs. Cost accounting principles require that costs be properly identified and charged to the cost centers such as food service and Head Start. The business manager is currently developing a formula for calculating indirect costs based on square footage.

Santa Maria should capture indirect costs associated with overhead for operations in the Head Start and food services program. The business manager estimates that the food service program's overhead is $10,000 per year; however, this amount is not considered a hard-dollar savings but rather used within the general fund. In the case of the Head Start Program, the district will be able to capture a positive fiscal impact of $15,000 annually or $75,000 in five years ($15,000 savings x 5 years) that can be utilized to offset the costs of operating and maintaining facilities.

To recuperate such savings the district should renegotiate the Memorandum of Understanding with Head Start and require Head Start to compensate the district for the true costs of utilizing district owned facilities. It is costing the district approximately $15,000 per year to heat, cool, clean, and maintain the space Head Start is using. Since the district receives no revenue from NINOS Inc. Head Start, there is a direct cost to the district. The district should add a clause to the Memorandum of Understanding that would establish the expectation of compensating the district for the use of the classrooms and office space.

EXHIBIT 5–20
PLANT OPERATION COSTS ATTRIBUTED TO HEAD START

TOTAL SPACE (SQUARE FEET)	SPACE USED BY HEAD START (SQUARE FEET)	PERCENTAGE OF SPACE USED BY HEAD START	TOTAL PLANT OPERATION COSTS	COST ATTRIBUTED TO HEAD START
153,825	2,750	1.78	$856,070	$15,000

Source: Santa Maria ISD and review team analysis 2011.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
21. Implement overall effective business management practices to ensure fiscal integrity.	$0	$0	$0	$0	$0	$0	$0
22. Create a comprehensive business office procedure manual.	$0	$0	$0	$0	$0	$0	$0
23. Create a fund balance policy.	$0	$0	$0	$0	$0	$0	$0
24. Incorporate Financial Accountability System Resource Guide budgeting module guidelines to ensure key staff is part of the budgeting process.	$0	$0	$0	$0	$0	$0	$0
25. Post required financial data on Santa Maria ISD's website.	$0	$0	$0	$0	$0	$0	$0
26. Develop an evaluation process to determine the need for a School Health and Related Services (SHARS) and Medicaid Administrative Claiming (MAC) programs for eligible students.	$0	$0	$0	$0	$0	$0	$0
27. Automate all administrative functions to increase efficiency.	$0	$0	$0	$0	$0	$0	$0
28. Capture indirect costs associated with overhead for operations in the Head Start and food services program.	$15,000	$15,000	$15,000	$15,000	$15,000	$75,000	$0
TOTALS CHAPTER 5	**$15,000**	**$15,000**	**$15,000**	**$15,000**	**$15,000**	**$75,000**	**$0**

CHAPTER 6

PURCHASING

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 6. PURCHASING

Purchasing in all school districts is governed by Chapter 44 of the Texas Education Code (TEC), state, and federal laws or regulations. Chapter 44 of TEC allows districts to participate in purchasing cooperatives.

Santa Maria ISD uses the regional education service center administrative requisition/purchase order system module. The software allows central office to ensure compliance with purchasing laws by limiting purchases to approved vendors for bids, purchasing cooperative agreements, or state contracts. Local purchases are allowed but the central office must approve the vendor. Requisitions for local purchasing require three quotes on all purchases to ensure a comparison of quality and cost for items or services purchased. In addition, the district's practice of taking bids also ensures compliance with Board Policy CH (LEGAL) which states:

"In awarding a contract by competitive sealed bid under Education Code 44.031, a district that has its central administrative office located in a municipality with a population of less than 250,000 may consider a bidder's principal place of business in the manner provided by Local Government Code 271.9051."

As per interviews conducted by the review team, the requisition system is performing well and producing desired results.

Board Policy CH (LEGAL) defines the allowable methods of approving vendors as:
- Competitive Bidding
- Competitive Sealed Proposals
- Request for Proposals
- Interlocal Contract
- Reverse Auction Procedures
- Formation of a Political Subdivision Corporation

The district also uses purchasing cooperatives such as Regional Education Service Centers 1 and 2, as well as state contracts to comply with provisions in Chapter 44 of the Texas Education Code. The district utilizes Request for Proposals (RFP) or Request for Qualifications (RFQ) for securing professional services.

The district is a member of a special education cooperative with Mercedes ISD and La Feria ISD. Mercedes ISD serves as the fiscal agent. Additionally, the district serves as fiscal agent for a shared service arrangement providing after school community learning centers for Santa Maria and La Villa Independent School Districts. These arrangements are benefiting all member districts while maximizing services from available funding.

While Santa Maria ISD does not operate a central warehouse, a small quantity of janitorial supplies is held in a district storage building.

FINDINGS
- The district lacks centralized procedures for service contracts.
- The district lacks a computerized inventory process for lost or damaged textbooks.

RECOMMENDATIONS
- **Recommendation 29: Centralize the contract process and develop policies and procedures for managing contracted services.**
- **Recommendation 30: Develop a methodology for managing textbooks and computerize the textbook process.**

DETAILED FINDINGS

CONTRACTED SERVICES (REC. 29)
The district lacks centralized procedures for service contracts.

No one person in the district is responsible for administering service contracts and ensuring the district is receiving the appropriate services for these types of contracts. A contracted service is a purchase of a service rather than goods from a vendor. Examples of contract services entered into by Santa Maria ISD are services such as program evaluations, accounting support services, building and remodeling, security alarms services, vehicle repair and other services provided by an outside contractor.

The function of managing service contracts is being performed by individuals who both request the service and

request payment for the sevice. These individuals are not only responsible for ensuring receipt of the specified service being received but that the service is also in accordance with the contract, and is worth the amount invoiced.

Employees requesting contract services receive approval from their respective supervisors who approve payment. The business manager then receives the invoice and if all appropriate approvals with signatures are in place, the invoice is paid by the business office. However, nowhere in the process of contracting for services from a vendor is there an evaluation step to ensure that all services requested were rendered and provided in a timely manner.

A best practice when contracting for goods or services is to have an independent party evaluate services rendered by the vendor and received by the purchasing entity to ensure the integrity of the process. Additionally, in order to avoid undue influence and possible collusion between an employee and the contractor, it is prudent to have someone outside this relationship evaluate vendor services. In most cases, this person would be the purchasing director or a business manager. An example of this type of best practice is the Edinburg Consolidated Independent School District whose purchasing agent keeps a complete file on the vendor's past relationship with the district. This file is used during the evaluation of future contract awards.

Santa Maria ISD should centralize the contract process and develop policies and procedures for managing contracted services. The Financial Accountability System Resource Guide (FASRG) 3.2.2.5 Vendor Performance Evaluation outlines the procedures for evaluating the vendor's performance. These procedures include documentation of problems, telephone contact with the vendor, record of phone calls and dates called, written notification stating the problem and record on file of vendor's performance.

Texas Government Code, Title 10, Subtitle D, Section 2155.077 requires the Comptroller of Public Accounts to resolve vendor problems. Similarly, any vendor problems at Santa Maria ISD should be reported to the business manager for resolution.

Edinburg CISD has a model Contracted Service Agreement that Santa Maria ISD can reference.

This recommendation can be accomplished with existing resources.

TEXTBOOK MANAGEMENT (REC. 30)

The district lacks a computerized inventory process for lost or damaged textbooks.

As part of the end-of-year process, teachers conduct inventory of the textbooks assigned to their classroom and provide principals with a manual list. The manual lists are submitted to the technology coordinator at the central office; however, lists are not incorporated into a computerized system or spreadsheet; but are printed and retained in a file cabinet within the business office.

While the textbook custodian (technology coordinator) maintains a master list of textbooks on an excel spreadsheet containing the ISBN, title, student quantity and teacher manual quantity, the district could not provide the total cost of textbooks since the list does not include the cost, condition or other pertinent information necessary to calculate the cost of textbooks on hand.

In addition, the textbook custodian does not reconcile the individual teacher lists to a master list.

Further, the manual system currently in place does not facilitate the tracking of textbooks or the cost of textbooks in the following manner:

- Textbooks are not tracked during the year.

- District does not know how many books are damaged.

- District is not reconciling books given to teachers and year-end inventory. Therefore lost books are not noted.

- Without reconciling the textbooks to the master list, students and teachers may not be held responsible for lost or damaged books.

An accurate computerized inventory of textbooks should be maintained by the district for purposes of identifying missing textbooks, obsolete textbooks, and location of textbooks. This inventory list would provide proper documentation for insurance coverage and reimbursement for lost or damaged textbooks.

During 2010–11, Harrison County Schools (WV) established the foundation for a well run warehouse operation. The items currently in the inventory system include textbooks, custodial supplies, and food services supplies.

Santa Maria ISD should develop policies and procedures for managing textbooks and computerize the textbook process.

The maintenance supervisor should be the designated person to compile these policies and procedures with input from principals and teachers. This practice will be a change as mentioned in the technology chapter since the current practice of using the technology coordinator is not allowing ample time for the position to dedicate to technology-related needs. Additional costs are not anticipated as the change involves adopting written policies and procedures and moving from a manual system to a computerized one. Santa Maria ISD's current administrative spreadsheet software could be used or a simple on-line form could be developed.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5–YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
29. Centralize the contract process and develop policies and procedures for managing contracted services.	$0	$0	$0	$0	$0	$0	$0
30. Develop a methodology for managing textbooks and computerize the textbook process.	$0	$0	$0	$0	$0	$0	$0
TOTALS CHAPTER 6	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

CHAPTER 7

HUMAN RESOURCES

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 7. HUMAN RESOURCES

Santa Maria ISD does not have a formal Human Resources (HR) Department and decentralizes these functions within the central office, the three campuses, and through a cooperative arrangement with the Regional Education Service Center I (Region 1). This informal arrangement serves a staff of 105.5 certified and non-certified employees including school-based and central office administrators, professional staff, professional support staff, educational aides, and auxiliary staff. Official personnel files are maintained by the superintendent's secretary and are housed in locked files in the secretary's office in the central administration building.

Santa Maria ISD is a member of Region 1's ESC Personnel Services Cooperative which provides member districts with a comprehensive set of services designed to assist in recruiting and retaining highly qualified, certified, and caring teachers in their districts. Services include an interactive web-based vacancy posting and applicant database that allows districts to post, edit and delete their own vacancies. A regional job fair is conducted annually to help districts recruit in- and out-of-region teachers. Member districts may also participate in mentor training and support through Texas Beginning Educator Support System (TxBESS) to help retain their beginning teachers.

Santa Maria ISD utilizes the Personnel Services Cooperative for hiring certified staff. The district maintains a webpage that advertises positions for both certified and non-certified staff, but provides the application process for non-certified staff only. The application for non-certified staff are posted on the website and must be downloaded and submitted to the central office for processing.

Typically a superintendent is responsible for recruiting and hiring staff that are direct reports; and principals and individual departments recruit and hire staff reporting to them. Santa Maria ISD's superintendent and campus principals report using Region 1 to advertise positions and collect applications.

To better understand Santa Maria ISD human resources functions, the school review team compared district staffing statistical information with peer school districts in Texas. For purposes of comparison, three school districts were selected as peers for this review: Presidio ISD, Progreso ISD, and Santa Rosa ISD.

Exhibit 7–1 reflects teacher and staff ratios compared to students for Santa Maria ISD, the three peer districts and the state. Santa Maria has a higher student teacher ratio than the two of the three peer districts, and is equal to that of the state. In comparing Santa Maria ISD student staff ratio, it is higher than two of the three peer districts, but lower than the state student staff ratio.

Exhibit 7–2 provides a district comparison of professional staff employed by the districts and the average for the state. In the review of teachers, Santa Maria ISD teachers are 43.6 percent of the professional staff, which is higher than two of the three comparative districts; however, it is below the state percentage. Moreover, the 1.9 percent of central office staff is higher than the state and all three comparative districts. Professional Support staff is higher than two of three of the comparative districts and higher than the state. Finally, Professional staff is higher than two of the comparative districts, but lower than Santa Rosa ISD and the state, respectfully.

Exhibit 7–3 shows Santa Maria ISD employs 2.2 percent of teachers with no degree, which is higher than the state and two of the three comparative districts. The percent of Bachelor degreed teachers is higher than two of the three districts and the state. The percent of mastered degreed teachers is below the state and one of the comparative

EXHIBIT 7–1
STAFFING RATIOS
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
Student/Teacher Ratio	**14.5**	13.7	12.0	16.5	14.5
Student/Staff Ratio	**6.3**	5.7	5.7	6.9	7.3

Source: Academic Excellence Indicator System (AEIS) 2009–10.

EXHIBIT 7–2
PROFESSIONAL STAFF
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
Teachers	**43.6%**	41.9%	47.4%	41.9%	50.5%
Prof. Support	**9.0%**	12.7%	3.7%	6.6%	8.9%
School Leadership	**2.8%**	2.9%	2.0%	2.5%	2.8%
Central Adm.	**1.9%**	1.7%	0.8%	0.9%	1.0%
Ed. Aides	**18.0%**	7.7%	19.3%	11.2%	9.8%
Prof. Staff	**57.3%**	59.2%	53.9%	52.0%	63.2%
Aux. Staff	**24.6%**	33.0%	26.7%	36.8%	27.0%

Source: AEIS, 2009–10.

EXHIBIT 7–3
TEACHERS BY HIGHEST DEGREE HELD
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
No Degree	**2.2%**	0.0%	0.0%	14.7%	0.8%
Bachelors	**87.0%**	98.8%	82.7%	79.1%	77.3%
Masters	**10.9%**	1.2%	15.7%	5.5%	21.3%
Doctorate	**0.0%**	0.0%	1.6%	0.7%	0.5%

Source: AEIS, 2009–10.

districts. While doctorates are low across the board, Santa Maria ISD is lower than the state and two of the three comparative districts.

Almost 48 percent of the teaching staff at Santa Maria ISD is at the beginning or less than five years teaching experience, which exceed the other three districts and the state, as shown in **Exhibit 7–4**. Additionally, in comparing these cohorts to the state, Santa Maria ISD exceeds the state cohorts by over 10 percent. When one compares the teaching experience cohorts ranging from six to 20 years, Santa Maria ISD has a relatively lower percent of their teaching staff with those levels of experience than any of the three districts or the state. Only in the above 20 years experience category does Santa Maria ISD compare favorably with the three cohort districts; however, it still falls below the state in the category.

Exhibit 7–5 shows that Santa Maria ISD's average actual salaries of teachers who are beginning or have five or less years experience fall below that of all three comparable districts and that of the state. In the cohorts from six to 20 years, Santa Maria ISD average actual salaries fall below that of two of the three comparable districts and those of the state. This pattern continues in the over 20 year cohort, with

Santa Maria ISD average actual salaries being below two of the three comparable districts as well as that of the state.

Exhibit 7–6 shows that Santa Maria ISD's average actual salaries for teachers falls below that of two of the three comparable districts as well as that of the state. Professional support staff average actual salaries also fall below that of two of the three comparable districts and that of the state. The same pattern holds true for the school leadership and central administration categories, with both categories falling below two of the three comparable districts as well as those of the state.

EXHIBIT 7–4
TEACHERS BY YEARS OF EXPERIENCE
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
Beginning	**6.5%**	5.8%	8.8%	12.5%	6.0%
1–5 Years	**41.3%**	34.1%	31.7%	45.1%	31.0%
6–10 Years	**17.4%**	18.7%	18.8%	20.8%	20.3%
11–20 Years	**17.4%**	24.4%	27.1%	10.8%	24.4%
Over 20	**17.4%**	17.0%	13.7%	10.8%	18.3%

SOURCE: AEIS, 2009–10.

EXHIBIT 7–5
AVERAGE ACTUAL SALARIES (REGULAR DUTIES ONLY)
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
Beginning	**$33,945**	$38,810	$34,819	$39,651	$41,165
1–5 Years	**$37,995**	$39,470	$37,140	$40,955	$43,527
6–10 Years	**$40,227**	$42,976	$41,251	$39,355	$46,149
11–20 Years	**$47,145**	$49,661	$47,798	$42,845	$50,153
Over 20 Years	**$51,522**	$53,099	$53,970	$45,772	$58,427

SOURCE: AEIS, 2009–10.

EXHIBIT 7–6
AVERAGE ACTUAL SALARIES (REGULAR DUTIES ONLY)
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
Teachers	**$42,063**	$44,891	$42,896	$41,185	$48,623
Prof Support	**$44,114**	$39,785	$47,690	$47,894	$56,470
School Leadership	**$61,533**	$61,463	$66,756	$63,732	$70,209
Central Adm.	**$69,870**	$65,866	$89,597	$99,401	$87,446

SOURCE: AEIS, 2009–10.

FINDINGS

- Santa Maria ISD lacks a human resource master plan.

- Santa Maria ISD lacks a current, comprehensive employee handbook which includes HR procedures and information about district processes, available services, federal regulations and compensation and benefits.

- Santa Maria ISD does not perform exit interviews as required by policy.

- Santa Maria ISD lacks a formal records management program as required in CPC (LEGAL) and CPC (LOCAL).

- Santa Maria ISD lacks customized employee job descriptions.

- Santa Maria ISD lacks a process for ensuring staff and administrator appraisals are conducted in a timely manner.

- Santa Maria lacks a system for reviewing and assigning overtime for transportation employees.

RECOMMENDATIONS

- **Recommendation 31: Develop a human resources master plan to ensure that the district human resource functions are conducted legally and using best practices.**

- **Recommendation 32: Create and distribute an employee handbook that includes HR procedures and information about district policies and procedures, available services, federal regulations and compensation and benefits.**

- **Recommendation 33: Create and implement a procedure to utilize exit interviews as required by policy DC (LOCAL).**

- **Recommendation 34: Identify a records management consultant to assist the district staff in the research and design of a formal records management program as required in CPC (LEGAL) and CPC (LOCAL).**

- **Recommendation 35: Create customized job descriptions for employees to ensure they fully understand all of the responsibilities of their specific positions.**

- **Recommendation 36: Develop written procedures outlining the process for all staff appraisals.**

- **Recommendation 37: Develop a system of review and authorization of overtime for the transportation of students to extra-curricular activities to eliminate expenditures, or alternatively, hire additional part-time staff for transportation purposes only.**

DETAILED FINDINGS

HUMAN RESOURCES MASTER PLAN (REC. 31)

Santa Maria ISD lacks a human resource master plan.

Santa Maria ISD human resource functions are decentralized across campuses, departments, and Region 1. Decentralization is frequently found in smaller organizations where there is not enough workload in a specific area for specialization, thus no central management of those processes. A review of documents and interviews with staff revealed a set of practices that are applied, but a written document outlining the procedures does not exist.

During the 2011 calendar year, the district replaced or transferred all key leadership positions including the superintendent, all three campus principals, the business manager, and the superintendent's secretary. In addition, the district conducted a reduction in force (RIF) and at the regular board meeting of April 4, 2011, the board eliminated nine probationary contracts and non-renewed 17 term contracts, thus eliminating a total of 26 professional staff members. During an interview with the Business Manager, the review team learned that 12 of the employees were rehired as a result of negotiation or additional grant funding.

The hiring process that was articulated during staff interviews is as follows:

- The campus or department identifies a staffing vacancy;

- The campus or department develops a written request for posting;

- If the position is certified the request is sent to the superintendent who forwards it to the technology coordinator who posts it on the Region 1 human resource cooperative website and the Santa Maria ISD website;

- When appropriate the position is advertised in the Harlingen Valley Morning and/or the McAllen Monitor newspapers;

- The hiring campus or department monitors the Region 1 website, identifies potential applicants, and downloads the appropriate applications;

- The hiring campus or department does a paper review, identifies candidates for the position, sets up interviews, interviews applicants and makes a selection;

- The hiring campus or department makes the recommendation to the superintendent who makes a recommendation to the board;

- When the applicant is approved, the hiring campus or department contacts the applicant and asks them to contact the superintendent's secretary;

- The superintendent's secretary informs the applicant that specific documents are needed for the personnel record, i.e. official transcripts, service records, etc.;

- The superintendent's secretary informs the applicant that the next step is to go to the business office;

- The business office informs the applicant that they must follow the required fingerprinting process;

- When the fingerprinting documentation has been received, the payroll clerk processes appropriate payroll and benefits functions;

- The candidate becomes an employee and begins working; and

- There is no formal district orientation.

Non-certified employees follow a slightly different practice:
- The campus or department develops a written request for posting;

- The position is posted on bulletin boards at the campus and placed on the district website;

- If appropriate the position is advertised in the Harlingen Valley Morning and/or the McAllen Monitor newspapers;

- Applicants download the application for the Santa Maria ISD website or go to the Santa Maria ISD Central Office to pick up a copy of the application;

- Applications are returned to the Central Office;

- Copies of the applications are sent to the campus or department interviewing candidates;

- The hiring campus or department does a paper screen of applications, identifies potential candidates, sets up interviews, interviews applicants, and makes a recommendation to the superintendent;

- The superintendent has authority to approve non-certified applicants;

- The hiring campus or department contacts the candidate and offers the position and if accepted tells the applicant to go to the Central Office;

- The superintendent's secretary informs the applicant of any additional paperwork and sends him/her to the business office to begin the fingerprinting process;

- When the fingerprinting process is successfully completed, the payroll clerk processes appropriate payroll and benefit functions;

- The applicant becomes an employee; and

- There is no formal district orientation.

Lack of a written human resource plan may create illegal or inconsistent practices which jeopardize the district's legal status. Lack of specificity of practices, especially during key leadership changes, may increase the district's vulnerability to litigation. This practice is particularly important when the organization has a decentralized system and no single person is responsible for all functions. Plans should include written guidelines for responsibilities for each decentralized function.

Managing human resources in an organization of any size requires a broad understanding of the various components of the employment relationship, the legal and practical opportunities for effective HR management. Managing human resources in a small, decentralized organization requires all staff involved in the employment process to understand the legal relationship between the employer and the employee. For this to happen there must be a plan which includes a process to ensure that all legal requirements are being met and that all decentralized staff members understand the legal requirements and apply them consistently. The Society of Human Resource Management (SHRM) provides many resources for conducting an HR planning process. During a seminar at the Society of Human Resource Management's 63rd Annual Conference & Exposition (2011), the importance of human resource planning was addressed and included the following:

- Conduct an HR analysis of strengths, weaknesses, opportunities, and threats (SWOT). Review it, collect any data needed to complete it, and identify the context that influences HR strategy;

- Develop an HR mission statement or statement of intent for the department. Craft or review the HR mission and vision so they align with the organizational vision;

- Conduct a detailed HR analysis. Have a planning session with leaders to identify current and future HR requirements;

- Determine critical people issues. Conduct a gap analysis between the current HR systems and the future HR requirements;

- Develop HR goals and measurement metrics; and

- Implement and evaluate the HR plan. Write the first draft, review it, and finalize it with leaders. The plan should address communicating, disseminating and executing the plan.

The Strategic and Business Planning Resource Center says as with strategic planning, there is no one way to undertake human resource planning. It provides the following as an optional model:

- Workforce Analysis: Understand your workforce and plan for projected shortages and surpluses in specific areas and skill sets;

- Internal Scan: Identify factors internal to the organization that may affect HR capacity to meet organizational goals;

- External Scan: Determine the most important environmental factors expected to affect the work force;

- Gap Analysis: Based on an analysis of the environmental scan and organization goals, what are the organization's current and future HR needs;

- Priority Setting and Work Plan: Based on the organization's priorities, environmental scan, and HR performance related data: 1) what are the major human resources priorities/goals; and 2) what strategies will achieve the desired outcome; and

- Monitoring, Evaluating, and Reporting: Integrate results of the evaluation into decision making processes within the HR plan and the organization's strategic plan.

An article, *Human Resource Planning is Key to Your Business*, found on the more-for-small-business.com website, states that human resource planning is an important staff function and needs to be a part of the overall organizational plan. The article provides a sample format for the goals section of the HR plan:

- Goal: to reduce employee turn-over and to increase employee retention.
  - Objective: Reduce employee turn-over by 35 percent in year one (this can be done by retaining good employees and by making better hiring decisions).

  - Strategy: Reduce employee turn-over and increase retention, through mentorship programs; through strong new employee orientation programs; recognition programs; through offering competitive employee compensation programs (within industry).

  - Measures of success: Orientation programs must be completed within the first 30 days (measure); mentor feedback: performance evaluations completed on time and annually (and worded in a positive manner); exit interviews to discuss why the employee is leaving and then acting on that information; increase number of new positions filled from posting within the company. Do an annual survey of employees to assess how they feel about the organization – listen to employees and act on the key elements of what they have to say (if you do not act, tell them why).

Santa Maria ISD should develop a human resources master plan to ensure that the district human resource functions are conducted legally and using best practices. The HR master plan should identify the current HR challenges and opportunities in the district and establish a clear set of HR goals to address those issues. Those goals should ensure that the district has appropriate legal procedures to address practices related to hiring, retention, and all department operations. In addition, the plans should include a training process for all decentralized staff involved in the district human resource functions.

The superintendent should immediately gather together the decentralized team currently implementing the HR functions and create a written document outlining the current HR processes at the superintendent's office, the campuses, and the business office for both certified and non-certified personnel. That document should be the basis for the strengths, weakness, opportunities, and threats analysis discussed in the first planning model provided above and the gap analysis in the second model. A small group of stakeholders including the decentralized team and representatives from the certified/non-certified workforce should be gathered to develop the plan. The district should contract with a facilitator, knowledgeable in human resource practices, who can lead the stakeholders through a planning process that reflects one or a combination of the elements in the models above. The superintendent should ensure that the resulting plan be typed as the HR department plan and included in the district strategic plan outlined elsewhere in this report. The goals and strategies should be incorporated into both the district and campus plans.

This recommendation can be implemented with existing resources and the one-time cost of $700 for a contracted facilitator for one day of planning.

EMPLOYEE HANDBOOK (REC. 32)

Santa Maria ISD lacks a current, comprehensive employee handbook which includes HR procedures and information about district processes, available services, federal regulations and compensation and benefits.

The district does not have a document with well-written, accurate and up-to-date information for new or experienced staff to consistently follow. A review of documents and interviews with administrators and staff revealed that there are current, board approved student code of conducts; however, there were neither technology handbooks nor current employee handbook for individual departments or the district as an organization. The review showed a 2008–09 employee handbook with the following sections:

- Leaves and absences;

- Employee relations and communications;

- Complaints and grievances/employee conduct and welfare;

- General procedures;

- Termination of employment; and

- Student issues.

That handbook had not been updated, reproduced, or distributed to staff for the 2011–12 school year.

An employee handbook is a form of written procedures and/or policies related to key topics relevant to district operations. It is a resource that ensures all employees are aware of the district rules and procedural policies, therefore, reducing confusion in the workplace. Lack of a manual can increase the district's liability when an employee files a civil or breach of contract complaint over matters which could have been covered in an employee handbook.

Robert C. Boisvert, Jr., an attorney who specializes in school law states that, "The primary benefit of an employee handbook is that it communicates the employer's policies and expectations. While policies can be communicated in other ways, such as informal conversations with supervisors and formal training, employee handbooks provide a consistent, carefully crafted message that employees can refer to when they have questions. This helps educate employees and reduces misunderstandings as to what the employer expects, and ultimately reduces the risk of litigation."

Boisvert goes on to advise that if not carefully drafted and consistently followed, employee handbooks can cause

litigation. Several states have held that employee handbook policies can become enforceable contracts if the handbook language is sufficiently definite; for example, if a termination policy promises certain steps will be followed before an employee is terminated, the employer may be liable for breach of contract if it fails to follow all steps. Additionally, an employer's inconsistency in following its handbook policies may give rise to discrimination claims.

Boisvert further states that employee handbooks should contain policies that are important to the safe and smooth operation of the workplace. They vary by employer but typically include information on discipline, attendance, leaves of absence, safety, work rules, and benefits, while every handbook should contain:

- Sexual and Other Unlawful Harassment. A written anti-harassment policy is a critical tool for helping reduce unlawful harassment in the workplace. An effective policy defines and prohibits sexual and other unlawful harassment, encourages employees to report complaints, provides multiple complaint avenues, prohibits retaliation for reporting suspected violations, and warns that violations of the policy may result in discipline up to and including termination;

- Equal Employment Opportunity. Employment handbooks should include an equal opportunity policy confirming the employer's commitment to abiding by applicable federal, state, and local laws prohibiting discrimination based on protected class status; and

- Family Medical Leave Act (FMLA). Federal regulations require that employers who are covered by FMLA include in their handbooks information regarding FMLA entitlements and employee obligations.

Other policies that may be included in the handbook include computer usage and monitoring, confidentiality, and an acknowledgment that employees are required to sign to prove that they received the handbook. In addition, to ensure all policies and procedures are appropriate, the employer should have legal counsel review and approve any changes.

Hooks ISD, a small Texas district located in Bowie County, has a comprehensive employee handbook. The 2011–12 handbook has a detailed table of contents, easily located sections, and a subject index. The information contained in the handbook is outlined in a detailed table of contents that includes sections related to:

- Employee handbook receipt;

- District information;

- Employment policies and procedures;

- Compensation and benefits;

- Leaves and absences;

- Employee relations and communications;

- Complaints and grievances;

- Employee conduct and welfare;

- General procedures;

- Termination of employment; and

- Student issues.

Santa Maria ISD should create and distribute an employee handbook that includes HR procedures and information about district policies and procedures, available services, federal regulations and compensation and benefits.

The superintendent, campus principals, and business manager should immediately review the 2008–09 employee handbook to determine whether it reflects current board policy and district practice. The draft handbook should be given to the school attorney for review and to the board for approval. The handbook should be printed, including a signature page for each employee to sign verifying that they received a copy of the handbook, and distributed to every employee in the district in a handbook review session. The handbook should become a part of every new employee orientation and should be reviewed with staff annually by principals. Staff should annually sign a form acknowledging possession of the handbook. Additionally, the handbook could be kept on the district intranet site (recommendation elsewhere in this review) where employees could easily reference it.

This recommendation can be implemented with existing resources.

EXIT INTERVIEWS (REC. 33)

Santa Maria ISD does not perform exit interviews as required by policy.

Interviews with the Santa Maria ISD staff indicated that there is not a current exit interview form nor are exit interviews conducted. Policy DC (LOCAL) states that an exit interview shall be conducted, if possible when every employee leaves employment with the District.

As **Exhibit 7–7** shows, the teacher turnover rate in Santa Maria exceeds two of the three comparable districts. Furthermore, Santa Maria ISD has a teacher turnover rate higher than the state average of 11.9 and does not have a method for formally gathering information related to reasons an employee leaves the organization. Given the academic status of the district discussed elsewhere in this report, it is essential that the district hire and retain the most qualified staff to improve student achievement.

Exit interviews are essential tools for gathering information related to why individuals leave an organization. Employee turnover is something all organizations deal with, and it can be costly. Using exit interviews allows an organization to understand the business from the employee's point of view and to identify potential areas for improvement within the organization, potentially eliminating problems and continued turnover.

Continued changes in leadership and teaching staff will have a negative impact on efforts to improve student performance at Santa Maria ISD. The district must make every effort to retain qualified staff to provide continuity for student services.

The reasons individuals leave organizations are wide, varied, and rarely captured or analyzed. Including exit interviews into the employee departure process allows organizations to learn the employee's point of view and identify potential areas for improvement within the organization.

Canada Business Network: Government Services for Entrepreneurs Division (March 30, 2011) cites the following benefits of an exit interview:

EXHIBIT 7–7
TURNOVER RATE FOR TEACHERS
2009–10

DISTRICT/STATE	SANTA MARIA	SANTA ROSA	PRESIDIO	PROGRESO	STATE
Turnover Rate	**16.3%**	18.8%	12.2%	13.1%	11.8%

Source: AEIS, 2009–10.

- Find out what others see as your organization's strengths;

- Identify shortcomings or areas needing improvement;

- Verify attributes, skills and experience necessary for the position;

- Get insight into the reasoning behind an employee's departure;

- Help foster a positive outlook for current employees by showing them that the organization is open to constructive criticism; and

- Get information to help correct a critical issue and perhaps retain a valuable employee through its resolution.

The article goes on to say that exit interviews with employees who are leaving voluntarily are probably more valuable than exit interviews with employees being terminated. Some criteria to consider when doing an exit interview include:

- Exit interviews can be held as a private, face-to-face meeting or a survey that the departing employee completes;

- Interviews should be open to all departing employees, but must be voluntary;

- Keep in mind, this is not an evaluation of the departing employee's performance or an opportunity for the departing employee to devalue individuals who are part of the business;

- Be open, don't defend the organization based on the departing employee's remarks;

- Information provided by the departing employee, whether positive or negative, should not affect the employee's references; and

- Attempt to part on good terms with the employee.

La Joya ISD, in south Texas, requires that exit interviews be scheduled for all employees leaving the district. The process is outlined in the employee handbook (Revised 2011) and is described as a process for getting feedback on all employees' employment experiences. A review of the actual interview form reveals a ranking of the following:

- Working relationship with supervisor;

- Cooperation within department;

- Cooperation with other departments;

- Adequacy of orientation and training;

- Workload;

- Physical working conditions;

- Availability of materials and equipment;

- Evaluation procedures;

- Recognition on the job;

- Employee benefits;

- Communication within the district;

- Central administration support;

- Community support for district; and

- Overall experience.

In addition to the ranking of the above items there are a series of open ended questions related to employment satisfaction.

Santa Maria ISD should create and implement a procedure to utilize exit interviews as required by policy DC (LOCAL).

This recommendation can be implemented with existing resources.

RECORDS MANAGEMENT (REC. 34)

Santa Maria ISD lacks a formal records management program as required in CPC (LEGAL) and CPC (LOCAL).

A review of documents and interviews with staff revealed that there is no written record management program outlining procedures for the requirements stated in Santa Maria ISD's legal and local policies. Interviews revealed that student records are maintained at the appropriate school until a student graduates, maintained for an undetermined number of years at the high school, and then transferred to the central office for storage; however, there is no written procedure describing this process. All student records are paper and maintained in hard copy. The counselor indicated that when records are sent to the district electronically they are copied and paper copies are placed in the student folders.

Interviews with central office staff revealed that there is no written procedure or single individual responsible for receiving, processing, and storing files received from campuses. In addition, there are no written procedures for the "active and continuing program for the efficient and

economical management of all district records," as required by Policy CPC (LEGAL).

During the visit to central office, the school review team observed an open box of records including social security numbers sitting on a table in an empty office throughout the week of the site visit. Some records, including student attendance records, are temporarily stored inside the central office but staff did not have clear direction as to which records and at what time they were to be moved to the records storage area. The records storage area is a locked building, which was originally Santa Maria ISD high school, immediately behind the central office. The building was used concurrently as a records storage facility and a small equipment storage facility. The review team toured the building and found that there was no lighting in the records storage area of the building, boxes of records were stacked on top of each other, some boxes were open, and other boxes had files falling out of them onto the floor. No cataloging system was evident and only some of the boxes were labeled. Where labeling did exist, a note was affixed in an inconsistent manner on the box with a black marker or pencil. The records are not secured within the building and anyone entering the building had total access.

Santa Maria ISD Policy CPC (LEGAL) defines a "local government record" as any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information-recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the district or any of its officers or employees, pursuant to law or in the transaction of public business. The policy goes on to state that the board shall responsibly implement the Local Government Records Act referred to in Local Government Code Section 203.021 by the following:

- Establish, promote, and support an active and continuing program for the efficient and economical management of all district records;

- Cause policies and procedures to be developed for the administration of the program under the direction of the records management officer;

- Facilitate the creation and maintenance of district records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the district and designed to furnish

the information necessary to protect the district's legal and financial rights, the state, and persons affected by the district's activities;

- Facilitate the identification and preservation of the district records that are of permanent value;

- Facilitate the identification and protection of the essential district records; and

- Cooperate with the State Library and Archives Commission in its conduct of statewide record management surveys.

The policy states that in implementing the Local Government Records Act, the records management officer shall:

- Assist in establishing and developing policies and procedures for the district's records management program;

- Administer the records management program and provide assistance to the custodians in order to reduce costs and improve record-keeping efficiency;

- In cooperation with the custodian of records, prepare and file records control schedules, amended schedules, and lists of obsolete records, as required by the Local Government Records Act;

- In cooperation with the custodians of records, prepare or direct the preparation of requests for authorization to destroy records, when such requests are required under the Local Government Records Act;

- In cooperation with the custodians of records, identify and take adequate steps to preserve district records of permanent value;

- In cooperation with the custodians of records, identify and take adequate steps to protect essential district records;

- In cooperation with the custodians of records, ensure that the maintenance, preservation, microfilming, destruction, or other disposition of records is carried out in accordance with the district's records management program and legal requirements;

- Disseminate to the Board and custodians of records information concerning state laws, administrative rules, and government policies relating to the district's records; and

- In cooperation with the custodians of records, establish procedures to ensure that the handling of records is carried out with due regard to the duties and responsibilities of custodians that may be imposed by law and the confidentiality of information in records to which access is restricted by law.

Policy CPC (LOCAL) states that the superintendent shall oversee the performance of records management functions as prescribed by state and federal law. It further states that the district shall follow its records management program regarding document destruction.

A consistently applied records management program can reduce liability by providing for systematic, routine records disposal in the normal course of business. Not having a systemic process for reviewing, storing, and disposing of records increases the retention of unnecessary records, and the unnecessary use of space, and increases the organization's vulnerability of not storing required records. In addition, failure to comply with laws and regulations could result in legal liability.

Santa Maria ISD record management practices create a difficult, time consuming situation for staff needing access to past records including those of former students. During the visit, the review team asked for the year board members were initially elected and were told that a staff member would enter the storage building and "go through boxes to find the board minutes" reflecting that information.

A record is a document or other electronic or physical entity in an organization that serves as evidence of an activity or transaction performed by the organization and that requires retention for some time period. Record management is the process by which an organization:

- Determines what kinds of information should be considered records;

- Determines how active documents that will become records should be handled while they are being used, and determines how they should be collected after they are declared to be records;

- Determines in what manner and for how long each record type should be retained to meet legal, business, or regulatory requirements;

- Researches and implements technological solutions and business processes to help ensure that the organization complies with its records management

obligations in a cost-effective and non-intrusive way; and

- Performs records-related tasks such as disposing of expired records or locating and protecting records that are related to external events such as lawsuits.

Records management planning includes the following:
- Identify records management roles;

- Analyze organizational content;

- Develop a file plan
  ○ What records

  ○ Where they are stored

  ○ Who is responsible for managing them;

- Develop a retention schedule;

- Design the records management solution
  ○ Electronic (internal/external)

  ○ Paper

  ○ Combination;

- Plan how content becomes records;

- Plan e-mail integration
  ○ How do you retain appropriate e-mail records;

- Plan compliance for social content
  ○ Blogs/wikis/MySites can be records; and

  ○ Plan compliance reporting and documentation.

Marion ISD, a small district in Guadalupe County, Texas, followed a process similar to the practice described above to develop and implement its record management program.

The district should identify a records management consultant to assist the district staff in the research and design of a formal records management program as required in CPC (LEGAL) and CPC (LOCAL). The process should include reviewing appropriate district policies and Local Government Code Section 203.021. The district should identify what records must be retained and the retention period for each type, and, most importantly, what part of the records management process will be implemented internally and what part would be contracted to a records management vendor.

This recommendation can be implemented with existing resources and a consultant for a one-time cost of

approximately $3,000. (This amount is based on a total of three days consulting with a records management expert at $1,000 per day.)

CUSTOMIZED JOB DESCRIPTIONS (REC. 35)

Santa Maria ISD lacks customized employee job descriptions.

Interviews with staff and a review of personnel files revealed the lack of specific job descriptions for staff members. Only one job description was found in a sample review of 14 personnel files. The job description was for the cafeteria crewhead, dated November 9, 2009, and was signed by the previous superintendent. Other personnel files without job descriptions included the superintendent, business manager, and several teachers and non-certified staff.

When copies of current job descriptions were requested, the Texas Association of School Board (TASB) model position policies were provided. Current, updated, signed and dated job descriptions were not available.

Lack of job description accuracy can prohibit an employee from fully understanding their role in the district and ultimately where their job fits into the success of the organization. It addition, it potentially eliminates a necessary tool for supervisors to utilize when counseling an employee about job effectiveness and/or setting individual employee goals. Finally, accurate job descriptions are essential in the hiring process to ensure that job announcements reflect necessary skill sets and can be used to screen applicants for the final applicant interview pool. It is important that the reader know both when the document was reviewed and revised.

The Society of Human Resource Management provides the following suggestions for the structure of an effective job description (in "How to Develop a Job Description," 2009):

- Date—when a job description was written (updated);

- Job status—exempt or nonexempt under FLSA, full-time or part-time;

- Position title—name of the position;

- Objective of the position—what the position is supposed to accomplish, how it affects other positions and the organization;

- Supervision received—to whom the person reports;

- Supervisor responsibilities—direct reports, if any, and the level of supervision;

- Job summary—an outline of job responsibilities;

- Essential functions—detailed tasks, duties, and responsibilities;

- Competency or position requirements—knowledge, skills, and abilities;

- Quality and quantity standards—minimum levels required to meet the job requirements.

- Education and experience—required levels;

- Time spent performing tasks—percentages, if used, should be distributed to equal 100 percent;

- Physical factors—type of environment associated with job, indoor/outdoor;

- Working conditions—shifts, overtime requirements as needed; and

- Unplanned activities—other duties assigned.

In a discussion of "Keeping Job Descriptions Current" (2007), SHRM reminds its readers that "job descriptions (and other forms of job documentation) have the potential to become the subject of contention, including grievances or litigation." Accordingly, it is critical that accuracy be maintained. SHRM advises to:

- Designate one party as having the primary responsibility for keeping job descriptions current.

- Have a plan for reviewing them annually.

TASB provides model job descriptions to Texas school districts as a part of its service package. These job descriptions make an excellent starting point for developing specific job descriptions for individual school districts.

Keller ISD, located in Tarrant County, Texas uses specific job descriptions. Keller ISD publishes the descriptions on its website to inform the public of the specific duties assigned to a position as well as a recruitment tool to provide prospective employees with more detailed information on vacancies.

Santa Maria ISD should create customized job descriptions for employees to ensure they fully understand all of the responsibilities of their specific positions. While the responsibilities of educational positions are similar across the state each district is unique and has its own set of circumstances that need to be addressed. To ensure these

circumstances are addressed by individual employees, it is helpful to include specifics in the job descriptions. For example, if the high school counselor also serves the role of registrar or textbook coordinator it is essential that those responsibilities be outlined in the job description and addressed during the appraisal process. Another example might be an assistant principal who has responsibilities related to instructional leadership; those specific duties should be made clear to the employee in a written job description. In most cases teacher job descriptions would be generic; however, in some cases grade level or departmental responsibilities might be significant enough to warrant inclusion in the job description.

The superintendent should design a process that includes meeting with campus and departmental leaders to discuss the need to identify job descriptions in their respective department or campus. Each leader should review job descriptions for specificity and adjust as needed. The leader should meet with each employee during the spring appraisal schedule to review the job description and ask the employee to sign.

This recommendation can be implemented with existing resources.

APPRAISALS (REC. 36)

Santa Maria ISD lacks a process for ensuring staff and administrator appraisals are conducted in a timely manner.

Texas law provides school districts specific procedures for choosing the appraisal instrument for all administrators, including principals. Interviews with staff revealed that Santa Maria ISD utilizes the Commissioner-Recommended Administrator Appraisal Process and Procedures. A review of 2010–11 personnel folders did not provide evidence of principal appraisals for 2010–11. In addition to the lack of administrator appraisals, the review revealed that there was no consistent process for evaluating any level of district staff, including hourly staff. The superintendent left the district in January 2011, and there is no evidence that a superintendent conducted final appraisals. Records and interviews indicated that the elementary and middle school principals are no longer with Santa Maria ISD and the superintendent was in the process of transferring the high school principal to another position within the district at the time of the school review site visit. The review team staff later learned the principal was replaced.

Interviews with the current campus principals revealed that at the time of the onsite review in October 2011 they had not been given a copy of the appraisal instrument to be used, nor set goals for 2011–12.

In addition to the requirement for administrators to be evaluated annually, the Texas Education Code Section 21.354(d) specifies that administrators not appraised within a 15-month period may not be paid with state funds.

The Texas Administrative Code, Title 19, Part 2, Chapter 150 outlines minimum requirements for the appraisals of administrators and includes requirements for principals.

Districts using the commissioner-recommended student performance domain for principals shall meet the following requirements, including procedures for setting goals that define expectations and set priorities for the administrator being appraised and the use of both formative and summative conferences. Other requirements include:

- Principals and their appraisers who adopt the commissioner-recommended student performance domain shall satisfactorily complete appraiser training with a trainer and curriculum approved by the commissioner of education. Periodic retraining shall be required.

- Appropriate administrators shall be involved in developing, selecting, or revising the instruments and process.

- The commissioner-recommended student performance domain shall be implemented in accordance with procedures approved by the commissioner.

- The results on the commissioner-recommended student performance domain shall be incorporated into the local appraisal instrument.

- The results of the commissioner-recommended student performance domain shall be a primary consideration in determining a principal in need of assistance. An intervention plan shall be required for a principal whose results on this domain fall below the commissioner's established standards.

- For a principal new to the campus or for a new campus, the results from the commissioner-recommended student performance domain shall be on a "report only" basis for the first two years.

Santa Maria ISD should develop written procedures outlining the process for all staff appraisals. The process should ensure that the requirements of the commissioner's recommended administrator appraisal process and all requirements for certified and non certified staff are conducted in a timely manner.

The superintendent should immediately develop a timeline for individually meeting with campus principals and setting goals which are aligned with the priorities being addressed during the development of the campus and district plans. These goals should focus on the goals and strategies outlined in the required Student Achievement Improvement Plan (SAIP) discussed elsewhere in this report.

This recommendation can be implemented with existing resources.

TRANSPORTATION OVERTIME (REC. 37)

Santa Maria ISD does not control expenditures for overtime in the Department of Transportation.

The district employs five bus drivers that also perform other duties in the district. Each is assigned to drive a bus for extracurricular activity trips that require them to work beyond their schedule of 40 hours per week. **Exhibit 7–8** illustrates the average amount of overtime each of the five employees work per week and the annual cost of overtime.

The total cost of overtime for the 2010-11 school year totaled $27,339. Overtime is paid at 1.5 times the regular hourly rate. The district would have paid $18,226 at the regular rate of pay. By allowing overtime, the district paid $9,113 ($27,339 - $18,226) additional in compensation for bus drivers due to the practice of using overtime instead of hiring additional staff as shown in **Exhibit 7–9**.

Santa Maria ISD should develop a system of review and authorization of overtime for the transportation of students to extra-curricular activities to eliminate expenditures, or alternatively, hire additional part-time staff for transportation purposes only.

This recommendation can be implemented with existing resources.

EXHIBIT 7–8
AVERAGE HOURS OVERTIME PER WEEK AND ANNUAL COST
2010–11

	EMPLOYEE 1	EMPLOYEE 2	EMPLOYEE 3	EMPLOYEE 4	EMPLOYEE 5	COST
Hours Overtime per Week	19	15	19	19	21	$27,339

SOURCE: Santa Maria ISD business office, 2011.

EXHIBIT 7–9
COMPARISON OF OVERTIME VS. REGULAR RATE OF PAY
2010–11

PAYMENT TYPE	AMOUNT
Overtime at 1.5 X Regular Rate	$27,339
Regular Rate	$18,226
Difference	$9,113

SOURCE: Review Team Analysis, 2011.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
31. Develop a human resources master plan to ensure that the district human resource functions are conducted legally and using best practices.	$0	$0	$0	$0	$0	$0	($700)
32. Create and distribute an employee handbook that includes HR procedures and information about district policies and procedures, available services, federal regulations and compensation and benefits.	$0	$0	$0	$0	$0	$0	$0
33. Create and implement a procedure to utilize exit interviews as required by policy DC (LOCAL).	$0	$0	$0	$0	$0	$0	$0
34. Identify a records management consultant to assist the district staff in the research and design of a formal records management program as required in CPC (LEGAL) and CPC (LOCAL).	$0	$0	$0	$0	$0	$0	($3,000)
35. Create customized job descriptions for employees to ensure they fully understand all of the responsibilities of their specific positions.	$0	$0	$0	$0	$0	$0	$0
36. Develop written procedures outlining the process for all staff appraisals.	$0	$0	$0	$0	$0	$0	$0
37. Develop a system of review and authorization of overtime for the transportation of students to extra-curricular activities to eliminate expenditures, or alternatively, hire additional part-time staff for transportation purposes only.	$0	$0	$0	$0	$0	$0	$0
TOTALS CHAPTER 7	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($3,700)**

CHAPTER 8

FACILITIES CONSTRUCTION, USE AND MANAGEMENT

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 8. FACILITIES CONSTRUCTION, USE AND MANAGEMENT

Santa Maria Independent School District (Santa Maria ISD) provides instructional and support facilities for an instructional program that serves three year olds through grade 12. Current schools are Tony Gonzalez Elementary School (Grades Pre-K through five), Santa Maria Middle School (Grades six through eight), and Santa Maria High School (Grades nine through twelve). All schools are on the same grounds with a total of 153,825 square feet of building space. Support facilities include an administration building, bus garage, warehouse, storage, and Old Post Office for an additional 18,407 square feet. Approximately 2,750 square feet of space is leased by NINOS Inc. Head Start; a non-profit agency.

The middle school is the oldest school in the district; constructed in 1985. The newest school is the elementary school; constructed in 2000. There have been smaller additions in recent years including the cafeteria/band hall, 2002; Pre-K Annex, 2007; and Science Lab, 2010.

The supervisor of the plant maintenance program has supervisory responsibility for the transportation program as well. Responsibility for the overall plant maintenance department rests with the business manager. The supervisor was recently employed and has limited history of the district's facilities. The supervisor has a strong background in servicing HVAC systems. Facilities are maintained by staff having school bus driving responsibilities. The district employs the equivalent of three full-time employees in the maintenance department. Buildings are cleaned by six full-time custodians.

FINDINGS

- Santa Maria ISD lacks a comprehensive long-range facility master plan.

- The district has not developed a space utilization plan to optimize usage of existing classroom and building space.

- Santa Maria ISD does not perform required facility maintenance in a timely manner.

- Santa Maria ISD does not conduct annual customer satisfaction surveys that would document whether facilities are being cleaned and maintained to appropriate standards.

- Santa Maria ISD has not established an energy management plan.

RECOMMENDATIONS

- **Recommendation 38: Develop a comprehensive long-range facility master plan.**

- **Recommendation 39: Develop a space utilization plan that would optimize usage of existing classroom and building space.**

- **Recommendation 40: Develop a prioritized work list of deferred maintenance projects and develop a short term plan to make all necessary repairs to facilities and equipment.**

- **Recommendation 41: Perform an annual custodial customer satisfaction survey.**

- **Recommendation 42: Develop an energy management program with an annual goal of reducing energy consumption.**

DETAILED FINDINGS

LONG-RANGE FACILITY PLAN (REC. 38)

Santa Maria ISD lacks a comprehensive long-range facility master plan.

The district has not developed a process to engage staff or community members in developing a long-range facilities plan. Current practice for planning rests with a three member committee of board members who periodically tour school facilities. Based upon their observations, the committee will recommend projects to the entire school board. Building administrators, teachers, and maintenance staff are not involved in the evaluation process. Planning for future facility needs is not an active process that engages a cross section of the school and community. Assessment of all facilities to identify physical condition, educational suitability, and the technical deficiencies is not performed systematically.

Long-range facility planning is a comprehensive process for preparing a school district for the future and confirms that facilities meet current needs. A long-range facilities plan evaluates how the buildings support programs and the

educational needs of students, staff, and the community. Each school district has unique needs and challenges including enrollment growth or decline, changing demographic patterns, changing educational service delivery and curriculum, phasing out or repair of aging facilities, grade level configurations, and community needs. Santa Maria ISD does not engage in long-range planning and is unable to predict facility needs over the next five to 10 years.

American School and University published a recommendation for components of a long-range school facility plan. The components are identified and described in **Exhibit 8–1**.

The district should develop a comprehensive long-range master facility plan. The plan should accomplish the following:

- Establish a long-term goal for adequacy of facilities to meet instructional needs of the district;

- Develop educational specifications for facilities that will meet future instructional needs;

- Assess the condition of current facilities and the ability to meet future instructional needs;

- Assess the life cycle costs of sustaining current facilities vs. the costs of replacing facilities;

- Survey the community to determine community needs and support for facilities; and

- Develop an implementation plan that includes impact on instructional programs.

The plan should include timelines that would identify when existing facilities would be modernized or replaced, and when new construction would occur. A preliminary budget should be created that is achievable within the debt capacity of the district. Included in the plan should be the identification of opportunities for district staff and members of the community to provide input to the long-range plan. At a minimum, the committee should evaluate the condition of existing facilities and provide assistance in determining future needs and potential costs.

Because of a lack of expertise in this area, it is recommended the district contract with outside consultants to assist with the development of the Santa Maria ISD long-range facility master plan. The Texas Association of School Administrators (TASA) indicated that a one-time cost of $12,500 should be an approximate target to budget for this project.

EXHIBIT 8–1
COMPONENTS OF A LONG-RANGE FACILITY PLAN

COMPONENT	DESCRIPTION
Goals and Objectives	State a vision, goal or philosophy relating to the institution's identity. Confirm how technology, flexibility, and expansion expectations and the community affect desired outcomes.
Educational Adequacy	Compare facilities with state guidelines; analyze master schedules for section sizes, course offerings, periods per day, and utilization deficiencies; impact of athletics and community programs on core facilities; and develop space standards template for equity across the district. Consider the quality of space, function, expansion needs, aesthetics, safety and security, site size and circulation, square footage, grade level configuration, instructional aides, program support, flexibility, capacities, space utilization, seating efficiency and repurposing opportunities.
Facilities Assessment	Assess facilities for proper maintenance and operation of the building site and envelope, interior materials and systems, mechanical and electrical systems, and technology components. Consider deferred maintenance, capital renewal issues, mandated health and safety upgrades, facility obsolescence, and physical plant condition, codes, and accessibility.
Operations and Sustainability	Develop and assess the life-cycle costs and payback, energy efficiency, administrative and transportation efficiencies, demographics, and maintenance measures. One-time costs vs. recurring annual operating costs are major considerations for an institution's long-term viability.
Community Impact	Consider a community survey to measure needs.
Implementation Assessment	As options are developed, consider how carrying out the plan affects school operations. Phasing, construction sequencing, time, cost, and effect on learning with different building solutions are important considerations in determining final direction.

SOURCE: American School and University, 2009.

SPACE UTILIZATION (REC. 39)

The district has not developed a space utilization plan to optimize usage of existing classroom and building space.

The inventory of district facilities shows the district has 172,232 square feet of building space. Of this, 153,825 square feet is classified as instructional space. Gymnasium space is included in this figure. **Exhibit 8–2** identifies the amount of instructional space by school and the amount of square feet per student. The high school has 163 percent and the middle school 87 percent more instructional space per student than the elementary school. These calculations were made by using a four year enrollment average per school as shown in **Exhibit 8–3.**

A review of instructional space use found that in all schools, space was being underutilized. In all three schools there was instructional space that was not used at all. The review identified that 13 regular classrooms were not in use during the student day. Additionally, the entire 4,360 square feet high school vocational building was not in use for any purpose. **Exhibit 8–4** summarizes the number of classrooms not in use by school, the capacity of the unused space (assuming 20 students per classroom) and the square footage per school (assuming 800 square feet per classroom).

Exhibit 8–5 shows the cost per square foot to maintain district facilities over the past five years. Using this figure, it is estimated that the cost to maintain the 14,760 square feet per year would be $73,357 (14,760 x $4.97).

Information received from the district highlighted multiple reasons why classrooms were empty:

- The high school no longer has a vocational program.

- The middle school has three classrooms dedicated to the after-school ACE program. These three classrooms remain empty during the regular student day.

- The elementary school has three classrooms that have been unused for over a year due to offensive odor in the classroom.

- Enrollment was not high enough to utilize all classrooms.

- A reduction in teaching staff left classrooms unoccupied.

- Middle school enrollment increased due to transferring of fifth grade from the elementary to the middle school.

Review of office space for support personnel showed that the supervisor of food services was the sole user of an 800 square foot classroom. In addition, the supervisor spent limited time in this office. The maintenance/transportation supervisor occupied a 556 square foot building and was the sole user.

The district does not have practices in place that would require building and department administrators to maximize the use of facilities. Furthermore, the district does not monitor the cost to the district for underutilizing facilities. Classrooms and offices that are used periodically still require maintenance and cleaning. By continuing the practice of not optimizing space usage, the district incurs unnecessary operational costs.

Santa Maria ISD should develop a space utilization plan that would optimize usage of existing classroom and building space. A district-wide committee should be appointed to develop a space utilization plan. Principals from all three schools should be represented on the committee.

EXHIBIT 8–2
INSTRUCTIONAL SPACE PER STUDENT BY SCHOOL

SCHOOL	TOTAL SQUARE FOOTAGE	GYMNASIUM SPACE	NET INSTRUCTIONAL SPACE	INSTRUCTIONAL SQUARE FOOTAGE PER STUDENT
High School 9–12	62,899	22,856	40,043	266
Middle School 6–8	38,082	11,000	27,082	189
Elementary School PreK–5	38,412		38,412	101
Shared	14,432			22
TOTAL	**153,825**	**33,856**	**119,969**	**179**

Source: Santa Maria ISD business office and review team analysis, 2011.

EXHIBIT 8–3
STUDENT ENROLLMENT BY SCHOOL
2007–11

SCHOOL*	2007–08	2008–09	2009–10	2010–11	FOUR-YEAR AVERAGE
Elementary Pre-K-5	378	317	328	357	345
Middle School 6-8	132	185	191	195	175
High School 9-12	144	145	146	163	150
District Total Pre-K-12	654	647	665	715	670

*Beginning in 2008–09, Grade 5 became part of the Middle School (Grades 5-8).
SOURCE: Texas Education Agency website "Actual Financial Data," 2007–11.

EXHIBIT 8–4
UNUSED CLASSROOMS BY SCHOOL

SCHOOL	NUMBER OF CLASSROOMS NOT IN USE	STUDENT CAPACITY	EMPTY SQUARE FOOTAGE
Elementary School	4	80	3,200
Middle School	4	80	3,200
High School	5 + Vocational Bldg.	120	8,360
Total	13 + Vocational Bldg.	280	14,760

SOURCE: Santa Maria ISD school maps and review team analysis, 2011

EXHIBIT 8–5
MAINTENANCE COSTS PER SQUARE FOOT

FIVE–YEAR AVERAGE ANNUAL MAINTENANCE EXPENDITURE	TOTAL FACILITY SQUARE FOOTAGE	MAINTENANCE COSTS PER SQUARE FOOT
$856,070	172,232	$4.97

NOTE: Rounding used to obtain $4.97 cost per square foot.
SOURCE: Santa Maria ISD business office and review team analysis, 2011.

The committee should be charged with the following:

- Identify all unused or underutilized space throughout the district. Office and storage space should be included.

- Identify the optimum grade configuration that would allow for equitable distribution of space between schools.

- Identify space that would be suitable for shared office space for district support staff.

- Identify space that can be deactivated in order that the space will incur minimal operational costs.

- Identify space that is obsolete and in need of demolition.

- Submit a finalized plan to the district administrative staff for approval.

The creation of the space utilization plan may be created with existing resources. While the district may not be able to eliminate the full amount of maintenance fees, a reduction of 50 percent of the expenditure for underutilized facilities displayed in **Exhibit 8–4** and **Exhibit 8–5**, would save Santa Maria ISD approximately $36,679 per year (14,760 square feet x $4.97 foot). The district has the potential of saving $36,679 per year in maintenance costs by optimizing the use of existing classroom and building space.

DEFERRED MAINTENANCE (REC. 40)

Santa Maria ISD does not perform required facility maintenance in a timely manner. Onsite review of facilities identified multiple instances of facilities in need of repair and equipment that was inoperable. Examples include:

- Windows that had been broken months ago had not been repaired;

- Broken and damaged bricks were not replaced;

- Walls were in need of paint;

- Damaged toilets were removed rather than replaced;

- Damaged mirrors were removed rather than replaced;

- Door handles and locks were broken and not replaced;

- Exterior lights were damaged but not replaced;

- Emergency lighting in gymnasium was inoperable;

- Lighted emergency exit signs were inoperable;

- Windows were boarded up at the middle school due to vandalism;

- Electrical outlets were damaged and not repaired;

- Fire alarm system was inoperable and not repaired;

- Fire extinguishers were not re-inspected in a timely manner;

- Debris was contained in piles in close proximity to the administration building;

- Debris was not cleaned up after installation of canopies;

- District record retention facility was not maintained and secured;

- Bird excrement was allowed to build up around buildings;

- Classrooms were not useable for extended periods due to offensive odor;

- PA system did not work in all locations;

- Building structures were beginning to show signs of rot;

- Building canopies were damaged and not repaired; and

- Downspouts were damaged but not repaired.

Many of the items identified as needing repair had been damaged or inoperable for over a year.

Work orders are submitted to the maintenance supervisor by building level administrators or teachers. Work orders can only be submitted once a week. Repairs that require any expenditure must be approved by the business manager. Expenditures over $5,000 must be approved by the school board. The maintenance supervisor does not have authority to determine priorities for repair or renovation of facilities or equipment.

A review of district financial audits from 2005 through 2010 indicates that Santa Maria ISD expended, on average, $856,070 annually for plant maintenance and operations. During 2009–10, the amount dedicated for plant maintenance and operations was reduced to $696,298. As shown in **Exhibit 8–6** there was a decrease of $159,772 in expenditures for plant maintenance and operations when compared to the five year average.

A comparison was made with peer districts regarding the amount of dollars per student expended for capital outlay and plant and maintenance operations. Santa Maria ISD spent considerably less than all three peer districts for capital outlay. Similarly, Santa Maria ISD expended more than only one of the three peer districts for plant and maintenance operations. Funding for the care of facilities is not at the same level as the peer districts. Normally, reducing expenditures would be a goal. However, due to a high level of deferred maintenance, this is problematic for Santa Maria ISD. **Exhibit 8–7** and **Exhibit 8–8** show the level of

EXHIBIT 8–6
FIVE-YEAR SUMMARY OF EXPENDITURES
PLANT MAINTENANCE AND OPERATIONS

2005–06	2006–07	2007–08	2008–09	2009–10	AVERAGE	DIFFERENCE
$821,904	$977,956	$912,498	$871,694	$696,298	$856,070	($159,772)

SOURCE: Santa Maria ISD Annual Financial Audits, 2005–10.

EXHIBIT 8–7
TOTAL EXPENDITURES PER STUDENT FOR CAPITAL OUTLAY
GENERAL FUND
THREE-YEAR COMPARISON

YEAR	PRESIDIO ISD	PROGRESO ISD	SANTA ROSA ISD	SANTA MARIA ISD
2007–08	$610	$83	$36	$11
2008–09	375	79	28	0
2009–10	1,143	188	1,559	12
Three-Year Average	709	117	541	8

SOURCE: Texas Education Agency website "Actual Financial Data," 2007–10.

EXHIBIT 8–8
TOTAL EXPENDITURES PER STUDENT FOR PLANT/MAINTENANCE OPERATIONS
GENERAL FUND
THREE-YEAR COMPARISON

YEAR	PRESIDIO ISD	PROGRESO ISD	SANTA ROSA ISD	SANTA MARIA ISD
2007–08	$976	$1,391	$1,777	**$1,378**
2008–09	$1,059	$1,269	$1,380	**$1,347**
2009–10	$1,079	$1,399	$1,412	**$1,045**
Three-Year Average	$1,038	$1,353	$1,523	**$1,257**

SOURCE: Texas Education Agency website "Actual Financial Data," 2007–10.

expenditures for capital outlay and plant and maintenance operations.

A building asset in constant use will depreciate and deteriorate over time. However, good maintenance practices that address the total building structure, major systems, equipment, and other critical features will significantly decrease the number of problems, add value, and shorten the rate at which a structure shows signs of functional deterioration. Santa Maria ISD has not consistently addressed necessary repairs due to a lack of systematic approach to the maintenance of their facilities. Structures, systems, and equipment are in need of repair, replacement, and/or maintenance and the district has no observable plan to address these needs. By not providing necessary repair, replacement, and/or maintenance of their facilities and equipment, buildings will be in need of renovation or replacement sooner than expected.

The Florida Department of Education developed a model set of guidelines for schools regarding the maintenance of school facilities. They state a comprehensive maintenance program should meet the following objectives:

- Keep buildings, equipment, and fixtures reasonably close to original operating condition.

- Provide overall service requirements (e.g., preventive/predictive maintenance; routine maintenance; minor, major, and emergency repairs; alterations, and improvements; inspections and monitoring, etc.).

- Define the manner in which the work will be implemented.

- Provide necessary modifications to accommodate customer needs, upgrades, and new technologies.

- Match appropriate staff, tools, and other resources to accomplish work tasks.

- Ensure ongoing customer satisfaction and support of the educational process.

The model guidelines identified measures that a school district can take to meet the objectives of a comprehensive maintenance program:

- Predictive measures: measures such as inspections and conditions assessments to identify the likelihood of potential problems.

- Preventive measures: proactive procedures that are taken to reduce the risk or potential for maintenance related problems.

- Repair: measures taken to fix a problem after it has already occurred.

- Renovation: measures taken to modify, improve, upgrade, or modernize existing building conditions to improve functionality.

- Replacement: procedures aimed at "changing out" broken, inoperable, or obsolete fixtures, or building components.

Santa Maria ISD should develop a prioritized work list of deferred maintenance projects and develop a short term plan to make all necessary repairs to facilities and equipment. To facilitate this activity the district should develop a maintenance management plan that includes the following actions as recommended in a model such as the state of Florida Department of Education model maintenance program guidelines:

- Inventory all facilities and equipment to be maintained. Document through surveys, inventories, building manuals, etc. all facilities and equipment requiring maintenance services, and essential information for maintaining them.

- Assess the current condition of facilities and equipment. Determine the current serviceable or working condition of facilities, fixtures, and equipment and identify all facilities, systems, and equipment that are in need of repair or replacement.

- Identify the required financial, human, and materials resources necessary to perform all repair or replacement of identified deficiencies.

- Compare the level of actual resources necessary to make repairs or replacement versus the level of resources that are available.

- Establish priorities for the identified repair or replacement work.

- Allocate resources to complete the identified and prioritized repair or replacement work on a schedule that matches the availability of financial and human resources.

- Develop a master work schedule that defines when and how the required repairs or replacement work will be performed.

Since the district is not able to quantify the actual value of deferred maintenance, an annual budget of $50,000 is recommended as a base amount. This may have to be adjusted following the completion of other recommendations.

ANNUAL MAINTENANCE CUSTOMER SATISFACTION SURVEY (REC. 41)

Santa Maria ISD does not conduct annual customer satisfaction surveys that would document whether facilities are being cleaned and maintained to appropriate standards.

The care and maintenance of a facility is dependent upon having the appropriate number of staff. Most school systems assign an average of between 12,600 square feet and 21,500 square feet per custodian as an operational formula. Using these averages, it has been determined that the best practice for custodial staffing for cleaning duties is approximately 20,000 square feet per custodian. **Exhibit 8–9** compares the

current staffing levels with this best practice standard. As the exhibit shows, Santa Maria ISD is utilizing 1.69 less custodial staff than the best practice standard.

The district should perform an annual custodial customer satisfaction survey. Since the district is operating custodial services below best practice levels for staffing, it is critical that it confirm, on an annual basis, that schools are being kept clean and maintained to appropriate standards for staff and students. Due to the relative size of the district, a "paper and pencil" survey can be created that would require minimal time to collect and analyze results.

This recommendation can be implemented with existing resources.

ENERGY MANAGEMENT PLAN (REC. 42)

Santa Maria ISD has not established an energy management plan.

In 2010, the school board updated CL (LEGAL) "Buildings, Grounds, and Equipment Management." The policy mandated that the board shall establish a long-range energy plan to reduce the district's annual electric consumption. The board set policy that would allow the district to enter into an energy savings performance contract for energy or water conservation measures to reduce energy or water consumption or operating costs of schools. A plan has not been developed and the district has not secured energy savings performance contracts.

In the past two years the district has taken measures to service or replace most Heating, Ventilation, Air Conditioning (HVAC) units throughout the campus. The most recent work was done during the summer 2011. The HVAC system appears to be functioning well. All buildings were observed to be cooled to acceptable temperatures. However, the district has not developed expectations for staff regarding cost effective use of energy.

EXHIBIT 8–9
SANTA MARIA ISD CUSTODIAL STAFFING COMPARISON
2011

SQUARE FEET	CURRENT CUSTODIAL POSITIONS (FTE)	SQUARE FEET PER CUSTODIAN	BEST PRACTICE (SF/20,000)	OVER (UNDER) BEST PRACTICE
153,825	6	25,638	7.69	(1.69)

SOURCE: Review team analysis 2011.

A review of current conditions revealed the following practices:

- Classrooms not in use were still being cooled.

- The entire high school vocational building has no active instructional program but the building continues to be cooled.

- An entire three classroom building not in use continued to be cooled.

- Thermostats are not adjusted for evening and non-use times such as weekends and vacations.

- There are no minimum and maximum temperature guidelines for instructional space. Room temperature is controlled by individual preference.

- Lights are left on when rooms are not occupied.

- The Old Post Office building was housed by one individual and cooled continuously.

- The cafeteria supervisor occupied one half of a double classroom portable building space.

Santa Maria ISD expended, on average, $349,517 for utilities over the past three years. **Exhibit 8–10** shows that the average cost per square foot for utilities was $2.27. The 38th Annual Maintenance and Operations Costs Study for Schools by American School and University (2009) stated the average cost per square foot for energy and utility costs was $1.43.

EXHIBIT 8–10
UTILITY COSTS PER SQUARE FOOT OF INSTRUCTIONAL SPACE
THREE-YEAR ANALYSIS

YEAR	ANNUAL UTILITY COSTS	COST PER SQUARE FOOT
2007–08	$369,919	$2.40
2008–09	$374,871	$2.44
2009–10	$303,762	$1.97
Three-Year Average	$349,517	$2.27

SOURCE: Santa Maria ISD business office and review team analysis, 2011.

It is estimated that the district has approximately 17,000 square feet of space that is either not currently in use or has limited use. This space is being cooled at the same level as facilities that are in use. **Exhibit 8–11** shows the facilities that currently have limited or no use, the square footage, and

EXHIBIT 8–11
ENERGY COSTS FOR UNDERUTILIZED FACILITIES

FACILITY	SQUARE FEET	COOLED	STATUS
High School Vocational Building	4,360	Yes	Empty
High School Classrooms	4,000	Yes	Empty
High School Football Dressing Room	1,800	Yes	Used to dress for football practice
Middle School Classrooms	3,200	Yes	Used after school for ACE Program
Elementary Classrooms	3,200	Yes	Three empty due to odor problem and one used sparingly as office
Old Post Office Building	556	Yes	Used for office space for maintenance supervisor
TOTAL	**17,116**	**Total Energy Cost @ $2.27 per square foot**	**$38,853**

SOURCE: Santa Maria ISD business office and review team analysis, 2011.

subsequent annual cost of utilities based upon a three year average cost of $2.27 per square foot.

Utility costs are a school district's second highest expenditure after personnel. By managing consumption of energy, the district can reduce operation costs for utilities. Santa Maria ISD is expending more for utilities than is necessary due to a lack of policy and planning. The district will continue to utilize a greater percentage of the operational budget on utilities than necessary if current practice continues. As shown in **Exhibit 8–11**, the district is expending an estimated $38,853 annually on utilities for space that is not in use or used on a limited basis.

The United States Department of Energy (USDOE) provides guidance to schools to develop an operations and maintenance program to develop energy efficient strategies to manage ever-increasing energy costs. The USDOE encourages school districts to build a program that includes the following components:

- A plan to limit equipment operation to occupied hours.

• A plan for weekend and vacation shutdowns.

• A program for low-cost repairs or improvements performed by in-house staff.

• A schedule for regular maintenance procedures.

USDOE suggests that a model energy management program follow any of four tracks. Schools can follow a combination of tracks to create a program that is affordable and that delivers efficient cost savings. USDOE recommends the utilization of one or more of the following tracks:

• Energy tracking and accounting: collecting and analyzing monthly energy costs in all school facilities to pinpoint areas that offer potential for significant savings.

• Voluntary energy awareness: increasing the general energy awareness of staff and students to save energy dollars.

• Performance contracting: specialists help schools generate energy savings through improvements/ upgrades to existing energy systems. The energy savings generated fund the improvements, resulting in impact to the budget.

• Quick and low-cost strategies: facility use plans and maintenance and repair schedules are created to reduce energy consumption.

Santa Maria ISD should develop an energy management program with an annual goal of reducing energy consumption. These practices should include:

• Utilize existing facilities more efficiently to eliminate energy costs for facilities that are not in use or used on a limited basis.

• Perform an energy use assessment. Application for an audit can be made to Texas' State Energy Conservation Office (SECO) at no cost.

• Monitor all utility bills to expose all wasteful practices.

• Educate all building users about ways to save energy.

• Provide an incentive program to each school to reward reduction in energy usage.

• Develop standards for temperature control and develop strategies to enforce standards.

• Utilize performance contracting.

• Work with the USDOE and SECO to become active in programs that have been developed for schools to reduce energy consumption.

By eliminating the cooling of underutilized facilities, Santa Maria ISD should be able to eliminate expenditures for utilities by, at a minimum, $38,853 annually by implementing the efficiency standards.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
38. Develop a comprehensive long-range facility master plan.	$0	$0	$0	$0	$0	$0	($12,500)
39. Develop a space utilization plan that would optimize usage of existing classroom and building space.	$36,679	$36,679	$36,679	$36,679	$36,679	$183,395	$0
40. Develop a prioritized work list of deferred maintenance projects and develop a short term plan to make all necessary repairs to facilities and equipment.	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($250,000)	$0
41. Perform an annual custodial customer satisfaction survey.	$0	$0	$0	$0	$0	$0	$0
42. Develop an energy management program with an annual goal of reducing energy consumption.	$38,853	$38,853	$38,853	$38,853	$38,853	$194,265	$0
TOTALS CHAPTER 8	**$25,532**	**$25,532**	**$25,532**	**$25,532**	**$25,532**	**$127,660**	**($12,500)**

CHAPTER 9

TECHNOLOGY MANAGEMENT

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 9. TECHNOLOGY MANAGEMENT

The technology staff for Santa Maria ISD (SMISD) includes a technology coordinator along with a Public Education Information Management System (PEIMS) coordinator. The technology coordinator supports the maintenance, repair, and upkeep of 565 computers and servers in addition to peripheral equipment for 666 students and 105.5 staff in 2009–10. The Regional Education Service Center I (Region 1) provides infrastructure support with system recovery components. Region 1 also supports software and provides training to teachers and administrative staff. The district recently hired a school technology coach with grant funding to assist middle school teachers with integrating technology into their curriculum.

The PEIMS coordinator captures all staff and student data for submissions to the Texas Education Agency (TEA). PEIMS is supported by training and software updates from the Region 1.

FINDINGS

- Staffing levels to support and manage administrative and instructional technology in the district are inadequate and district staff does not use the automated help desk application.

- The Santa Maria ISD 2009–12 Technology plan is not used by the district as a tool to guide and direct its technology program.

- The life expectancy of several district servers is compromised due to inappropriate locations and inadequate power supply.

- The district lacks a secured Intranet site, as well as a robust website consistent with state statutory requirements.

RECOMMENDATIONS

- **Recommendation 43: Prepare a Request for Proposal (RFP) to obtain the needed changes and support to their technology department and program.**

- **Recommendation 44: Use the technology plan to guide the district.**

- **Recommendation 45: Designate the current server rooms for servers only, removing the impediments listed within, and the technology plan should be updated to include integrating adequate and sustainable power supplies throughout the district.**

- **Recommendation 46: Create an intranet site for district employee use, and improve their website to include, at a minimum, the requirements of current state statutes.**

DETAILED FINDINGS

TECHNOLOGY SUPPORT (REC. 43)

Staffing levels to support and manage administrative and instructional technology in the district are inadequate and district staff does not use the automated help desk application.

The technology coordinator supports 565 computers and servers, peripheral equipment such as printers for administrative and instructional staff. This position also oversees purchasing of hardware and software and is expected to assist with coordinating technology-related training to staff by the regional education service center. The district lacks a help desk and does not have lead teachers or technology integrators. Region 1 provides services for hosting the network, business, and student software; contractors provide phone service and each use eRate funding to offset these costs. The district hired a technology coach in the middle school as part of a grant and the position is dedicated to help integrate technology in middle school instruction. Therefore, the technology coordinator must support all hardware, software, and provide training with the exception of training given to middle school teachers.

During the school review team visit, the following examples of gaps of services due to inadequate staffing were noted:

- Computers located in a small lab within the elementary school library do not have access to the Internet and are not in use since the technology coordinator does not have the time to assess needs or hook up computers.

- The second lab in the elementary school was filled to capacity and the teacher commented on the need for Internet access for all computers.

- A printer in the middle school resource room was observed with the casing open and the toner cartridge missing with several cartridges scattered about the area.

Additionally, the district does not have work order records or aging reports from their technology-support application since staff are not required to use the tool and instead call, email, or request the assistance when seeing the technology coordinator on campus. The International Society for Technology in Education (ISTE) has technology support standards stating schools with computer-to-technician ratios of over 250:1 are considered as having low efficiency. Santa Maria ISD has a technology coordinator for this purpose; however, this position also spends one hour of time as the central administration receptionist and estimates that 10 percent of time is spent on textbook inventory and distribution. Therefore, between receptionist (12.5%) and textbook (10%) duties, the position is more accurately a 0.77 (100 % - 22.5%) full-time-equivalent; which equates to a ratio of 565:0.77 computers and servers to support staff. This ratio falls well below the 250:1 ratio and is considered below the lowest efficiency rating according to ISTE standards.

Santa Maria ISD should prepare a Request for Proposal (RFP) to obtain the needed changes and support to their technology department and program. The RFP should include requested information and pricing for the repair and upkeep of servers, computers, peripheral equipment, software, and training for both administrative and instructional staff. Obtaining the needed support for failing equipment including training staff through this RFP should potentially free up the technology coordinator to turn his attention to the daily needs of technology users. In addition, the textbook duties and receptionist responsibilities should be reassigned to other staff due to the high computer-to-technician ratio identified earlier.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

TECHNOLOGY PLAN (REC. 44)

The Santa Maria ISD 2009–12 Technology plan is not used by the district as a tool to guide and direct its technology program.

The plan provides for goals and objectives with timelines and responsible parties. The plan is aligned with the district's self-reported needs assessment and includes funding information. Goals and objectives are shown in **Exhibit 9–1.**

EXHIBIT 9–1
SANTA MARIA ISD TECHNOLOGY GOALS AND OBJECTIVES 2009–12

Goal	The use of technology will support and enhance instruction and learning on the campus and in the community
Objective	The campuses and district will maintain technology committees
Objective	The district will build and maintain local and wide area networks with voice, data, and video capabilities.
Objective	The district will purchase and maintain the equipment, software, and materials necessary to support administrative functions and teaching and learning, including the Technology Applications TEKS and technology integration.
Objective	All staff will have the appropriate technology skills needed for instruction and administrative management.
Objective	Teachers will teach technology applications skills and integrate technology into curricula at all grade levels.
Objective	Campuses will integrate technology into instructional management and administration.
Objective	Promote a positive and active partnership with parents, community, businesses, and adult literacy providers.

SOURCE: Santa Maria ISD Technology Plan 2009–12.

The following examples demonstrate the lack of the technology plan implementation:

- Summary reports with recommendations related to data collection and analyses on the effectiveness of technology and the proficiency.

- Published written standards for purchasing, upgrading, and replacing equipment. Interviews indicated that standards are not written for this purpose.

- Attendance at workshops, video conferences, distributed learning for staff was requested and only dates of training were provided. There is no evidence of actual staff in attendance.

- Documentation for technology mentors assignments with new teachers was not available.

- Agendas and other information provided to parents on technology being used were not available.

- The district does provide for eRate funding within the plan and **Exhibit 9–2** shows monies received from this source over the past three years.

Exhibit 9–2 shows funding information related to technology in the district. As shown, Santa Maria ISD receives the majority of funds from eRate (receiving full allotment allowance of 90%) and state technology allotments.

The plan does have a column for evidence gathered to support implementations by objective. However, there is inadequate documentation to corroborate evidence presented in the plan.

The district must ensure all stakeholders, including TEA that efforts are made by capturing documented evidence. The current process lacks adequate input and documentation, including required STaR charts, to assure public funds are spent according to the submitted plan, therefore jeopardizing future eRate discounts.

SMISD should use the technology plan to guide the district. The plan's implementation should include convening the technology committee and inviting the newly hired middle school technology coach to participate. The committee should review and update the technology plan on a routine basis, and consider the plan a living document. The review should include an analysis of equipment and electricity needs in classrooms and server areas. During these reviews, all documentation included as evidence should be approved by the team and filed accordingly. Once documentation is approved as evidence for plan objectives and strategies, all documentation should be retained with the plan.

This recommendation can be implemented with existing resources.

SERVER LOCATIONS AND POWER SUPPLY (REC. 45)

The life expectancy of several district servers is compromised due to locations and inadequate power supply.

While servers supporting PEIMS information for district personnel and students are transmitted and maintained with proper backups by the Region 1 server, all other data is retained on the server in the district's central office. This main server room doubles as the technology coordinator's office area and the door remains open during the day even when the coordinator has stepped away from the room. This situation is not an acceptable location according to the Rochester Institute of Technology. Sound levels are rather high in the room and could lead to hearing challenges per the

EXHIBIT 9–2
SANTA MARIA ISD TECHNOLOGY FUNDING - ALL SOURCES 2009–11

BUDGET YEAR 2009

BUDGET ITEM	FUNDING AMOUNTS	FUND SOURCE
Staff Development	$14,000	State
Telecommunications and Internet Access	122,550	e-Rate Local
Materials & Supplies	10,500	State
Equipment	30,720	State e-Rate Local
Maintenance	94,630	e-Rate Local
Miscellaneous Expenses	500	Local
TOTAL FOR YEAR	**$272,900**	

BUDGET YEAR 2010

BUDGET ITEM	FUNDING AMOUNTS	FUND SOURCE
Staff Development	$4,558	State
Telecommunications and Internet Access	88,000	e-Rate Local
Materials & Supplies	10,000	State
Equipment	424,558	Tech e-Rate Local
Maintenance	77,000	e-Rate Local
Miscellaneous Expenses	500	Local
TOTAL FOR YEAR	**$604,616**	

BUDGET YEAR 2011

BUDGET ITEM	FUNDING AMOUNTS	FUND SOURCE
Staff Development	$5,466	State
Telecommunications and Internet Access	96,566	e-Rate Local
Materials & Supplies	10,000	State
Equipment	27,751	State Local
Maintenance	70,421	e-Rate Local
Miscellaneous Expenses	500	Local
TOTAL FOR YEAR	**$210,704**	

SOURCE: Santa Maria ISD Technology Plan 2009–12.

Occupational Safety and Health Administration (OSHA). Permissible decibels are 90 for an eight-hour duration. Server rooms have various ranges yet can reach 70 decibels, which can cause problems if working in the environment for extended periods of time.

Interviews indicated that power supply is a concern for technology-related equipment. This concern was corroborated through observations of numerous extension cords used in the schools and in the high school server room, which is adjacent to the front office. The technology plan does not incorporate the adequacy of electricity to support equipment in the district.

Sharing a server room for any other use is compromising the asset and can drastically decrease the life of the equipment. Equally as important, stacking games, storage bins, or boxes around the perimeter of servers reduces the required airflow needed to keep the equipment cool. In the Afterschool Center on Education (ACE) room at the middle school, access to the server is blocked.

The Arkansas Department of Education requires that server rooms are protected by appropriate access control that segregates and restricts access from general school or district office areas. Server room access control should be enforced. This practice can also be found in Santa Maria ISD's high school.

Santa Maria ISD should designate the current server rooms for servers only, removing the impediments listed within, and the technology plan should be updated to include integrating adequate and sustainable power supplies throughout the district. The superintendent should move the technology coordinator's office to one of the two vacant offices in the central office and require items be cleared from the ACE area housing the middle school's server. Additionally, access to each room should be limited to the technology coordinator and principal.

This recommendation can be implemented using existing resources.

SECURED INTRANET AND WEBSITE NEEDS (REC. 46)
The district lacks a secured Intranet site as well as a robust website consistent with state statutory requirements.

The district does not have an Intranet site nor a network drive dedicated to staff or at least teachers or administrators within Santa Maria ISD. Intranet sites are better than network drives as they allow users to share information within an organization using similar security levels for network access. Benefits of these protected sites include:

- One centralized site for sharing.

- Access from anywhere.

- Ease in collaboration of projects.

- Can be organized by teacher work groups, departments, or schools.

- Assures all users have access to immediate updates at the same time.

The district is lacking a website consistent with Texas statutes. Some issues include:

- The calendar contains no data for the current school year when selecting the calendar from the header area of the main page.

- The campus links are inconsistent from each other with information provided.

- Phone numbers are not included for departments.

- The maintenance and transportation department lacks any information for parents.

- Data is lacking for academic performance, accreditation, or campus report cards.

- Board agendas and meeting minutes are not posted timely.

Exhibit 9–3 shows the required and optional Internet posting for a school district's website.

EXHIBIT 9–3
DISTRICT WEBSITE REQUIREMENTS

POSTING	SECTION	RULE, LAW, REGULATION	REQUIRED OR OPTIONAL	CURRENTLY ON WEBSITE Y/N	NOTES
ACADEMIC					
College Credit Programs	28.010(b)	Texas Education Code	Optional	N	Availability of college credit courses.
Electronic Courses	29.909(f) see 30.A	Texas Education Code	Required	N	Requirement for ISDs participating in program to post "informed choice" report conforming to Commissioner's format for course descriptions, materials, Texas Essential Knowledge and Skills (TEKS) linkage and other information.
Dates PSAT/NMSQT and any college advanced placement tests will be administered and provided instructions for participation by a home-schooled pupil	29.916	Texas Education Code	Required	N	House Bill 1844, 80th Leg., Regular Session.
Campus Improvement Plans	7.3.7 State Compensatory Education Audit	Update 14 Financial Accountability System Resource Guide	Required	N	
District Improvement Plan	7.3.7 State Compensatory Education Audit	Update 14 Financial Accountability System Resource Guide	Required	N	
ADMINISTRATIVE					
Targeted Improvement Plan	39.106(e-1)(2)	Texas Education Code	Required	N	Post prior to Board of Trustees Hearing on targeted improvement plan.
Group Health Coverage Plan and Rpt	22.004(d)	Texas Education Code	Required	N	Annual report submitted to TRS and copy of plan.
AEIS Report, School Report Card, Performance Rating of District, Definitions and Explanation of Each Performance Rating Described by Education Code 39.072(a)	39.362	Texas Education Code	Required	N	Notice of Performance - Not later than the 10th day after the first day of instruction of each school year.
Posting of Vacancies	11.163(d)	Texas Education Code	Required	N	Post vacant position for which a certificate or license is required
Board of Trustee's Employment Policies	21 .204(a)-(d)	Texas Education Code	Required	Y	Term Contracts
Conflicts Disclosure Statements and Questionnaires	176.009	Texas Local Government Code	Required	Y	Disclosure

EXHIBIT 9–3 (CONTINUED)
DISTRICT WEBSITE REQUIREMENTS

POSTING	SECTION	RULE, LAW, REGULATION	REQUIRED OR OPTIONAL	CURRENTLY ON WEBSITE Y/N	NOTES
Superintendent's Contract	109.1005(e) (2)(D)	Title 19, Texas Administrative Code	Required	Y	The school district is to provide a copy of the superintendent's contract EITHER as a disclosure in the financial management report OR by posting the contract on the district's Internet Site.
Notice of Corrective Action	6316 (c) (10)	Title 20 U.S. Code	Required	Y	NCLB-related requirement
Reverse Auction Procedure	2155.062(d)	Texas Government Code	Required	N/A	Required if real-time bidding process or bidding with use of an Internet location
Notice of Board of Trustees Meetings	551.056	Texas Government Code	Required	N	
Agenda for Board of Trustees Meetings	551.056	Texas Government Code	Required	N	Required if the board meeting notice does not include the agenda and the district contains all or part of the area within the corporate boundaries of a municipality with a population of 48,000 or more
FINANCE					
Bill of rights for property owners whose property may be acquired by governmental or private entities through the use of eminent domain authority	402.031& 21.0112	Texas Government Code	Required	N	Statement required either by first-class mail or available on website
Costs and metered amount for Electricity, Water, and Natural Gas for District	2265.001(b)	Texas Government Code	Required	N	Renumbered from 2264.001 by 81st Legislature, Regular Session
Proposed Maintenance and Operations Tax Rate	26.05(b)	Texas Tax Code		N	Include on home page of website; Required if tax rate will raise more taxes than prior year or if tax rate exceeds effective maintenance and operations tax rate
Summary of Proposed Budget	44.0041	Texas Education Code		Y	Budget summary must include per student and aggregate spending and a comparison to the previous year's actual spending
Post Adopted Budget	39.0184	Texas Education Code		Y	Required to maintain the adopted budget on the district's website until the third anniversary of the date the budget was adopted
Annual Financial and Compliance Report	7.3.6	Update 14 Financial Accountability System Resource Guide		N	Publication of audited financial information in a newspaper or on website

EXHIBIT 9–3 (CONTINUED)
DISTRICT WEBSITE REQUIREMENTS

POSTING	SECTION	RULE, LAW, REGULATION	REQUIRED OR OPTIONAL	CURRENTLY ON WEBSITE Y/N	NOTES
Evaluation of State Compensatory Education	7.3.7 State Compensatory Education Audit	Update 14 Financial Accountability System Resource Guide		N	Audited financial information (annual financial and compliance report) in newspaper or website
HEALTH					
Physical Activity Policies	28.004(k)	Texas Education Code		Y	Physical Activity policy by campus level, health advisory council information, vending machine and food service guidelines, and penalties for tobacco product use
Immunization Awareness Program	38.019	Texas Education Code		Y	Post in English and Spanish: a list of immunization requirements and recommendations, a list of health clinics in the district that offer influenza vaccine, and a link to the Department of State Health Services Internet website providing procedures for claiming an exemption from requirements

SOURCE: Texas Education Code, Texas Government Code, Texas Administrative Code, Texas Tax Code, Financial Accountability System Resource Guide, 2011.

Winchester Public Schools (VA) has an informative and user-friendly website.

Exhibit 9–4 provides some key information provided for shareholders. The links are available and allow users flexibility on the site.

Santa Maria ISD should create an Intranet site for district employee use, and improve their website to include, at a minimum, the requirements of current state statutes. The site should also contain information in Spanish to further help the community due to the large Hispanic population. The district should submit an RFP, obtain bids and contract for the maintenance and update responsibilities of both the intranet and internet SMISD sites. The newly hired middle school technology coach should assist the technology coordinator with content approval for the site. The recommended position should report to the technology coordinator for approval of work. The cost to outsource webmaster services is approximately $44 per hour. (Rate based on the mid-range of $45,590 per State Auditor's class code and classification of this position.) Annual salary of $45,590 divided by 2080 hours = 22 per hour * 100% = $44 per hour. The 100% increase compensates for lack of benefits based on outsourcing the work. Santa Maria ISD would need this position for approximately 200 hours ($44 x 200 hours = $8,800) initially 10 hours per month for updates. Therefore, the $8,800 plus 10 hours for 10 months each year at ($44 x 10 hours) = $440 x 10 months = $4,400 or $8,800 +$4,400 = $13,200 for the first year and $440 x 12 months = $5,280 for each additional year.

EXHIBIT 9–4
WINCHESTER PUBLIC SCHOOLS KEY WEBSITE INFORMATION

SCHOOL INFORMATION	FOR TEACHERS AND STAFF	SYSTEM INFORMATION
Advisory Committee Meetings	Blackboard	Annual Notifications & Postings
Bus Schedules	Copyright Guidance	Annual Report of Expenditures
Cafeteria Information	FERPA: Safeguarding Student Information	Budget FY 2012
Closings Cancelations	Forms for Staff Members	Capital Improvement Plan
Emergency Management Plan	Invoice Cut-Off Dates	Comprehensive Plan
Ethnic & Race Data Collection	Leadership Institute Cohort II	Cost Per Pupil
Graduation Requirements	Leadership Institute Cohort III	Fast Facts About WPS 2011 – 12
Internet Safety	Payroll Cut-Off Dates	Fast Facts About WPS 2010 – 11
School Zone Map	PCard Payment Schedule	Our Credo
STUDENT REGISTRATION	Power Teacher	Policies and Regulations
English	Records Retention	Privacy Statement/Disclaimer
Español	**SALARY SCALES**	Technology Plan 2011 – 15
TESTING INFORMATION	Staff Salary Scales	
2011 – 2012 Testing Schedule	Teacher Salary Scale	
Standards & SOL Based Instructional Resources	SmartBoard Resources	
VDOE Assessment Results	SPAM Email	
VDOE Report Cards	Staff Development Registration	
VDOE Testing & SOL Information	Staff Email Account Access	
	Teacher Resources	
	Winchester Wire	

FOR PARENTS AND STUDENTS	INSTRUCTION	SCHOOL BOARD
Blackboard	**SPECIAL PROGRAMS**	About the Board
Copyright Guidelines	21ST Century Grant	Policies and Regulations
Power School	Gifted Services	Meetings and School Visits
Student Resource Links	Library Media Centers	School Board Members
ASSISTIVE LISTENING SYSTEMS	Special Education	
English	**ENGLISH FOR SPEAKERS OF OTHER LANGUAGES (ESOL)**	
Español	English	
COLLEGE LINKS	Español	
Financial Aid Information		
Local Scholarship Application		
Search & Apply Online		
VA College & Universities		
VA's Career Planning System		
Virginia Education Wizard		
Virtual Campus Tours		
Virtual Virginia		
HELPFUL SITES FOR PARENTS		
American Library Association		
Awesome Library		
Family Education		
Family Education Network		
Helping your Child Series		
Super kids Software Review		

SOURCE: Winchester Public Schools (VA), 2011.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
43. Prepare a Request for Proposal (RFP) to obtain the needed changes and support to their technology department and program.	$0	$0	$0	$0	$0	$0	$0
44. Use the technology plan to guide the district.	$0	$0	$0	$0	$0	$0	$0
45. Designate the current server rooms for servers only, removing the impediments listed within, and the technology plan should be updated to include integrating adequate and sustainable power supplies throughout the district.	$0	$0	$0	$0	$0	$0	$0
46. Create an Intranet site for district employee use, and improve their website to include, at a minimum, the requirements of current state statutes.	($13,200)	($5,280)	($5,280)	($5,280)	($5,280)	($34,320)	$0
TOTALS CHAPTER 9	**($13,200)**	**($5,280)**	**($5,280)**	**($5,280)**	**($5,280)**	**($34,320)**	**$0**

CHAPTER 10

TRANSPORTATION

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 10. TRANSPORTATION

Santa Maria Independent School District (Santa Maria ISD) provides student transportation services for all regular, special education, and extracurricular routes utilizing a district owned fleet. All vehicles used to transport students are operated by district employees but maintenance of the fleet is outsourced to local mechanic shops. Santa Maria ISD has a fleet of eight buses. Six are used for regular and special education routes. Two have been identified as spare buses. The majority of the fleet appears to be at the end of its useful life cycle.

Santa Maria ISD provides transportation services over an area that encompasses approximately 28 square miles. The district boundary is contained wholly within Cameron County. Bordering school districts include Mercedes, La Feria, Harlingen Consolidated, and San Benito Independent School Districts. During the 2009–10 school year, buses traveled 29,256 miles transporting students to and from school, excluding activity and field trips.

Santa Maria ISD currently operates four regular routes. Of the approximately reported 228 daily riders, 91 reside within a two-mile radius of the school they attend. The district also operates two special education routes that transport approximately six students daily. In 2009–10, the number of students riding the bus daily represented 34 percent of the 666 students attending Santa Maria ISD.

The supervisor of the transportation program has supervisory responsibility for the plant maintenance department as well. The supervisor was recently employed and has limited organizational history of the transportation department. Bus drivers have dual job responsibilities. Between routes, they serve as maintenance employees or instructional assistants. Job descriptions for all positions are not maintained and specific job duties throughout the department are not defined for employees.

The district does not maintain a system of collecting and analyzing data regarding the operation of the transportation department. As a result, the district does not have reliable data that can be utilized to assist in making assessments regarding the efficiency of the department.

FINDINGS

- Santa Maria ISD lacks written policies and procedures to manage and ensure the student transportation program is efficient and safe for all students and staff.

- The district operates school buses that are not consistent with federal safety standards for "compartmentalization" of seats.

- Santa Maria ISD does not maintain an inventory of buses in their fleet and lacks a vehicle replacement plan.

- Santa Maria ISD lacks a vehicle preventative maintenance plan.

- Santa Maria ISD does not utilize fuel tax exemptions.

- The district lacks safety and emergency management practices and procedures that are mutually developed, evaluated, and enforced.

- The district lacks separation for bus loading, student drop-off, and visitor parking at the schools.

RECOMMENDATIONS

- **Recommendation 47: Create a manual or handbook detailing the policies and procedures necessary for the safe and efficient operation of the student transportation program, as well as participate in professional development.**

- **Recommendation 48: Repair and securely fasten all damaged seats to be consistent with federal safety standards for school bus seats.**

- **Recommendation 49: Develop an inventory of their current fleet of buses and develop a bus replacement plan that is predictable and affordable.**

- **Recommendation 50: Develop a comprehensive vehicle maintenance plan that requires all service and repair to be performed by certified mechanics.**

- **Recommendation 51: Take advantage of the allowable exemptions from paying state and federal fuel tax on fuel used in their buses.**

- **Recommendation 52: Establish, at a minimum, written expectations for prevention of, preparedness for, and response to emergencies that involve the student transportation program.**

- **Recommendation 53: Create a transportation safety committee to discuss and address the ways in which separation can occur to provide a more safe and effective practice for the district.**

DETAILED FINDINGS

POLICIES AND PROCEDURES (REC. 47)

Santa Maria ISD lacks written policies and procedures to manage and ensure the student transportation program is efficient and safe for all students and staff.

School bus drivers and other school staff are not provided manuals or handbooks containing applicable federal and state laws and local policies and procedures that encourage consistent, safe, healthy, effective and efficient practices. All practices and procedures of the student transportation program are communicated by "word of mouth."

The lack of written policies and procedures is problematic for Santa Maria ISD. The current transportation supervisor has limited background in supervising student transportation and is not familiar with federal, state, and program requirements. At the time of the school review team visit, he had only been in his current position for two months and lacks the knowledge about how to operate a student transportation program. Since applicable written policies and procedures are not identified, there is an absence of consistent practice within the department.

Inconsistent practices identified and/or observed include:
- Not all buses are equipped with strobe lights and crossing control arms;

- Buses are allowed to idle while loading students at the school;

- Bus drivers are not required to document all criteria on the pre-trip bus inspection form;

- Some drivers use the rear eight light flashing system, while loading students at the school and others do not;

- Fire extinguisher inspection and recertification is not completed on a systematic, planned schedule;

- Bus evacuation drills are not performed;

- Bus drivers are allowed to have loose items in the driver compartment of the bus;

- Bus drivers are not evaluated;

- Bus drivers receive no training on local policies and procedures;

- A plan to provide the transportation supervisor training in operating the department has not been identified;

- Strategies to communicate with the school bus driver while on route are informal and not planned; and

- All buses lack two-way radios.

The district does not have a structure in place that ensures fundamental transportation program processes are performed in a consistent manner. By not establishing policies and procedures for the transportation program, the district increases its exposure to risk, decreases its ability to improve program and employee performance, and decreases its ability to comply with federal and state regulations.

Various professional organizations within the student transportation industry have made recommendations illuminating the importance of maintaining written policies and procedures. **Exhibit 10–1** is a sampling of various recommendations made by three separate organizations whose focus is on student transportation.

EXHIBIT 10–1
POLICY RECOMMENDATIONS

PROFESSIONAL ORGANIZATION	RECOMMENDATION
Fifteenth National Congress on Student Transportation	All drivers should be familiar with and abide by all rules, policies and procedures affecting student transportation.
Pupil Transportation Safety Institute	A transportation department handbook clearly defining employee roles and responsibilities and listing operational and safety procedures should be available to all department employees.
American School Bus Council	School districts should develop policies and guidelines concerning procedures and contingency plans in the event of a crash, unexpected school closing or route change.

SOURCES: Fifteenth National Congress on Student Transportation 2010; Pupil Transportation Safety Institute 2006; American School Bus Council 2007.

Santa Maria should create a manual or handbook detailing the policies and procedures necessary for the safe and efficient operation of the student transportation program, as well as participate in professional development.

The manual should contain, at a minimum, essential guidance in the following categories:

- Expectations for the management of the transportation department;

- Federal and state regulations;

- Budgeting, accounting, and procurement;

- Facility standards;

- Routing, bus stops, and eligibility;

- Driver qualifications;

- Driver training;

- Safety standards for employees and equipment;

- Essential driving skills;

- Student training;

- Student management;

- Emergency plans;

- Security;

- Vehicle maintenance;

- Special needs transportation; and

- Activity and sports trip(s).

This recommendation could be accomplished with minimal fiscal impact. Resources from various professional organizations maintain recommended policies and procedures that can be adopted by Santa Maria ISD at no charge. Additionally, the Regional Education Service Center I (Region 1) maintains a department dedicated to the support of student transportation for local school district assistance. Staff time will be necessary to compile proposed policies and procedures into a written document. It is estimated that the compilation of proposed policies and procedures can be accomplished in approximately 40 hours.

Santa Maria ISD should provide training opportunities for the transportation supervisor regarding safe and efficient operation of a student transportation program. The Texas Association for Pupil Transportation (TAPT) provides professional certification and training for transportation personnel. Courses are available to receive certification as a supervisor. The district should establish an annual professional development budget for the transportation supervisor and, at a minimum, require completion of the TAPT Introduction to Transportation course within one year.

The fiscal impact to the district will be determined by the annual budget allocated to professional development. It is recommended that the district budget, at a minimum, $500 annually for professional development for the department supervisor. Actual costs will be dependent upon registration fees, travel, meals and lodging, as well as the location of the classes.

SAFETY STANDARDS (REC. 48)

The Santa Maria ISD operates school buses that are not consistent with federal safety standards for "compartmentalization" of seats.

An inspection of Type "C" buses operated by Santa Maria ISD identified many bus seats that were out of compliance with federal standards for school bus seats. Seats were found that were void of any foam backing, leaving bare metal as the only form of protection afforded riders. Additionally, it was observed that seat cushions were not secured to the seat frame and would not remain intact in a collision.

Currently Santa Maria ISD operates four Type "C" school buses that require seat repair. **Exhibit 10–2** identifies the buses and the number of seats that need to be maintained.

The Texas Department of Public Safety School Bus Transportation Program provides specifications for school buses in the state. Furthermore, the Federal Register Volume 76, No. 165 states in Federal Motor Vehicle Safety Standard (FMVSS) No. 222 that school bus passenger seating and

EXHIBIT 10–2
ANNUAL BUS SEAT COVER AND PADDING REPLACEMENT COSTS
THREE-YEAR REPLACEMENT SCHEDULE

NUMBER TYPE C BUSES	SEATS PER BUS	TOTAL SEATS TO BE REPLACED	YEAR ONE REPLACEMENT	YEAR TWO REPLACEMENT	YEAR THREE REPLACEMENT
4	24	96	32	32	32

Source: Review team analysis based on Santa Maria ISD documentation, 2011.

crash protection requires that passengers on large school buses be protected through a concept called "compartmentalization." For large school buses, FMVSS No. 222 relies on requirements for "compartmentalization" to provide passenger crash protection. "Compartmentalization" ensures that passengers are cushioned and contained by the seats in the event of a school bus crash by requiring school bus seats to be positioned in a manner that provides a compact, protected area surrounding each seat. Seats must meet specific height requirements and be constructed, by use of substantial padding, so they provide protection when they are impacted by the head and legs of a passenger.

Due to a void of padding in seats and cushions that were not secure, the federal requirement to "compartmentalize" seating in large school buses has not been met. Buses are being operated by Santa Maria ISD that would not provide protection to riders during a crash, as required by federal standards.

Santa Maria ISD should repair and securely fasten all damaged seats to be consistent with federal safety standards for school bus seats. The district should replace the padding in all seats that do not have continuous padding; seat covers that have excessive damage should be replaced in order that further damage to the foam padding is discouraged. Furthermore, it is recommended that the district perform a visual inspection and reattach all seats that are not securely attached to the seat frame.

It is estimated that Santa Maria will need to budget $75 per seat for repairs. ($55 for seat foam and cover materials + $20 for installation = $75 per seat). The district should plan to replace covers and foam over a three year period on all Type C buses. To repair all seats in the Type "C" buses over a three

year period, the district would need to expend $2,400 per year ($75 X 32 seats = $2,400) for three consecutive years.

INVENTORY AND VEHICLE REPLACEMENT PLAN (REC. 49)

Santa Maria ISD does not maintain an inventory of buses in their fleet and lacks a vehicle replacement plan.

Individual files are not maintained that would identify the age, mileage, repair record, operational costs or condition of each bus. The district has no established criteria to guide the process to decide when a bus will be replaced and what budget capacity must be maintained to replace buses.

Santa Maria ISD maintains a fleet of eight buses. **Exhibit 10–3** summarizes the age, type, mileage, status, and condition of its fleet of buses. Of the five Type "C" 72 passenger buses, four were in poor condition. Of the three type "A" special education buses, two were in fair condition. The average age of the fleet is seven years and is within industry standards of a 12–15 year replacement schedule. However, 50 percent of their fleet is in poor condition and will soon need to be replaced. An industry standard of replacing a bus in 12–15 years is achievable if vehicles receive required maintenance on a consistent schedule. There is no evidence that buses receive scheduled preventative maintenance service. The result is the useful service life of a vehicle is shortened. Under current maintenance practice, it is questionable whether Santa Maria ISD can expect a bus to be serviceable for 12–15 years since they lack such a plan.

Since records are not kept to identify the cost of operating each bus, the district is unable to determine the cost effectiveness of keeping each of their buses in service. They do not have data to determine if the cost-benefit ratio would indicate it is time to replace a bus. Furthermore, the district

EXHIBIT 10–3
FLEET INVENTORY

BUS #	YEAR	MANUFACTURER	TYPE	MILES	STATUS	CONDITION
5	1997	Crown	C	145,116	Spare	Poor
7	2003	Thomas	C w/lift	56,714	Route	Poor
8	2003	IC Corp.	C	100,749	Route	Poor
9	2008	IC Corp.	C	70,846	Route	Fair
10	2008	IC Corp	C	64,787	Route	Poor
3	2009	Thomas	A w/lift	19,377	Route	Good
6	2003	Collins	A w/lift	94,482	Spare	Fair
2	2003	Mid Bus	A non-lift	86,483	Route	Fair

SOURCE: SMISD records and Review team analysis, 2011.

does not budget for bus replacement on an annual basis. As a result, the district cannot predict what resources are necessary to maintain a safe and reliable fleet of buses.

The National Association of State Directors of Pupil Transportation Services states the anticipated lifetime of school buses under normal conditions for different types of buses are:

- Type "C" & "D" Buses 12 to 15 Years

- Type "A" & "B" Buses 8 to 10 Years

The district should develop an inventory of their current fleet of buses and develop a bus replacement plan that is predictable and affordable. If buses are maintained properly, the district should maintain a fleet age average of 7.5 years. This is based on the assumption that all Type "C" buses are replaced every 12-15 years and all Type "A" buses are replaced every eight to 10 years.

Exhibit 10–4 summarizes a proposed 15 year bus replacement schedule that would maintain a fleet average of 7.5 years. **Exhibit 10–5** shows recent bid prices for standard equipped Type "A" and Type "C" buses and the cumulative cost of replacing buses over a 15 year period.

The proposed bus replacement schedule illustrated in **Exhibit 10–5** would require the district to purchase five Type "C" buses and five type "A" buses over the 15 year cycle of the schedule. Type "C" buses currently cost $90,000 per unit and Type "A" buses with a lift cost $62,000 per unit. Total cost over a 15 year replacement schedule would be $760,000, not considering inflation. The district would need to budget $50,666 ($760,000/15 years) annually over the 15 year period to accomplish a predictable replacement schedule.

PREVENTATIVE MAINTENANCE (REC. 50)

Santa Maria ISD lacks a vehicle preventative maintenance plan.

The district does not provide a facility to maintain its buses. Buses are parked in a gravel parking lot that is not conducive for vehicle repair. An on-site mechanic is not provided and all repairs must be contracted out to a repair facility in a neighboring town.

The state of Michigan developed a model school bus maintenance program. The components of the program are identified in **Exhibit 10–6**. Review of Santa Maria ISD's transportation department indicated that current practice lacks a comprehensive school bus maintenance program and accompanying performance measures as shown in the following exhibit.

Currently, due to a lack of an appropriate vehicle repair facility, service of the buses is contracted to outside mechanics. The district issued a "request for proposals" to outside vendors for tune-ups; however the scope of service was limited and did not offer a complete inspection of each bus. Safety functions were not required to be inspected. The district in its "request for proposals" also did not require that the mechanic or shop be certified or bonded with appropriate insurance, thus ensuring the services were guaranteed and conducted by qualified staff.

EXHIBIT 10–4
PROPOSED 15-YEAR BUS REPLACEMENT SCHEDULE

BUS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Type C	1			1			1			1			1		
Type A		1			1			1			1			1	

Source: Review team analysis, 2011.

EXHIBIT 10–5
PROPOSED 15-YEAR BUS REPLACEMENT COST ANALYSIS

BUS TYPE	UNITS	UNIT COST	TOTAL COST	ANNUAL BUDGET
Type C	5	$90,000	$450,000	$30,000
Type A	5	$62,000	$310,000	$20,666

Source: State of Washington state bid for school buses, 2011.

EXHIBIT 10–6
COMPARISON: MODEL PROGRAM TO CURRENT PRACTICE OF SANTA MARIA VEHICLE MAINTENANCE

MODEL MAINTENANCE PROGRAM COMPONENTS	CURRENT PRACTICES SANTA MARIA ISD
Safety Inspection: An "in-house" school bus safety inspection program at a maximum of 36 workday intervals, 3,500 miles or 300 gallons of fuel with prompt deficiency repair.	An "all systems" inspection of buses at established intervals is not required and there is no record of inspections being completed other than annual state required bus inspections.
Preventative Maintenance: A lube, oil, and filter interval consistent with the engine manufacturer recommendations and the vehicle equipment.	A tracking chart documenting both the manufacture's recommended service schedule and the next service due for each vehicle component is not maintained.
Daily Trip Inspection: A daily driver pre/post trip vehicle inspection program with maintenance write-ups when needed.	Drivers are expected to complete a Pre-trip inspection form. Forms are not consistently completed and are not viewed by the transportation supervisor on a daily basis. Items identified as unsatisfactory are not repaired. A system to make repair requests is not present.
Special Projects: A special projects program to address planned service projects and correct detected deficiencies.	Planned repair of bus and engine components is not performed. Failure of components and breakdowns determine which repair work is completed.
Maintenance Records: A vehicle maintenance records system permitting the ready access to each vehicle's maintenance information and a system that tracks maintenance costs by year of ownership for the entire vehicle's service life.	Records that document maintenance schedule, mileage, inspection reports, repair history, repair costs and accident reports are not maintained.
Repair Staff: Highly trained, knowledgeable and certified mechanics and/or vehicle repair staff including the appropriate levels of staffing.	Maintenance is contracted to an outside shop. The district does not require specialized training or certification of the technicians that perform repair on their buses.

Sources: Michigan Department of Education Model School Bus Maintenance Plan, 2010; and review team analysis, 2011.

Routine repairs are not completed and required service is not performed on an established schedule. Onsite review of the bus fleet identified the following examples of either deferred maintenance or neglected service:

- Bus seats left damaged beyond repair for months;

- Bus seats not attached to seat frames;

- Windshield and passenger windows broken and not repaired;

- Fire extinguishers not inspected and recertified for at least two years;

- Radio removed from the bus and left sitting on the dash of the bus;

- Strobe lights not operable;

- Buses not scheduled for engine service on any identified miles traveled, hours of use intervals or manufacturer specifications; and

- Brakes and other safety features not scheduled for routine inspection.

Without a comprehensive vehicle maintenance plan, Santa Maria ISD risks shortening the life of their fleet as well as risking student injury due to poorly maintained buses.

The Texas Legislative Budget Board (LBB) published a review titled "Texas School District Transportation Services." The review made several references to the importance of a vehicle maintenance plan and included:

- A comprehensive vehicle maintenance plan is essential to ensure bus fleet longevity.

- The goal of a vehicle maintenance plan is to keep buses in safe and reliable conditions at all times.

- Some districts lack comprehensive vehicle maintenance plans, which could lead to severe mechanical problems thereby compromising student safety.

Santa Maria ISD should develop a comprehensive vehicle maintenance plan that requires all service and repair to be performed by certified mechanics. The comprehensive maintenance plan should include at a minimum the following elements:

- A regular scheduled safety inspection of all school buses by qualified staff should be completed. This

inspection should check every system and component on the bus. Deficiencies should be identified and work orders to repair deficiencies should be executed.

• A regular lube, oil, and filter cycle for all school buses should be established based upon manufacturer specifications. It is essential service intervals comply with manufacturer's recommendations to receive the longest possible life from the vehicle.

• The driver pre-trip inspection report should be completed consistently and completely. The transportation supervisor must view these reports daily and note identified deficiencies and evaluate needed repairs to ensure they are addressed. Safety deficiencies must be repaired immediately.

• Special projects that are not part of the lube, oil, filter, cycle should be scheduled. These special projects may be the result of a manufacturer recall, or the result of information regarding the useful life of a particular part necessitating replacement at a given interval. The primary purpose of special projects is to, based on bus repair data, prevent the failure of various components through pre-determining their useful life and replacing components prior to "on road" failures.

• School bus repair and maintenance records are essential. Records should be used to track the repairs of school buses and to ensure compliance with manufacturer's recommended maintenance intervals. Records must be accurate and reflect the costs of parts and the cost of the mechanic's time. The age, mileage, repair record, operational costs, and condition of each bus should be documented. Information must be organized in a manner that the district can easily tabulate the annual cost of operating each school bus.

• The staff assigned the responsibility to repair and service school buses must be highly trained and certified. Santa Maria ISD should require that all mechanics assigned to perform service and repair on their schools maintain National Institute for Automotive Service Excellence (ASE) certification or equivalent.

The LBB review on transportation services recommended districts can accomplish a preventative vehicle maintenance plan by having a manual or automated system of tracking. A manual system could consist of a written format that indicates every area of a bus to be inspected, repaired, or

serviced and an item-by-item sign-off by the mechanic performing the inspection. Due to the small size of Santa Maria ISD's fleet, a manual system would be beneficial and cost effective.

Vehicle maintenance records for each school bus should be kept in separate files and should include:

• The vehicle maintenance schedule for each school bus;

• Documentation of scheduled safety inspections performed by a certified mechanic;

• Completed pre-trip driver checklists documenting that all safety features are functioning;

• Chart of periodic maintenance performed according to established maintenance schedule; and

• Copies of all parts or service invoices documenting that the maintenance and repairs were performed and the associated costs.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

CONTROL OF FUEL EXPENDITURES (REC. 51)

Santa Maria ISD does not utilize fuel tax exemptions.

During the 2010–11 school year, $32,233 was spent on fuel. Fuel was purchased at the local grocery store in Bluetown at the same rate per gallon that regular customers pay. The district did not receive federal and state fuel tax exemptions, as they are authorized.

The LBB School Reviews "identify inefficient features of transportation programs and offer recommendations for improving efficiency and controlling transportation expenditures that can lead to savings for the districts." The LBB identified the following categories to represent the most common transportation recommendations that lead to efficient systems of school transportation:

• Adopt a Bus Replacement Plan;

• Manage Transportation Department Staffing;

• Establish Efficient Bus Routes and Schedules;

• Implement Regular Driver and Mechanic Training;

• Establish a Vehicle Maintenance Plan;

- Manage and Monitor Transportation Department Performance;

- Follow State Reporting Requirements; and

- Evaluate Transportation Privatization.

Managing and monitoring costs for fuel is an example of an action Santa Maria ISD could take to implement best practices.

It is recommended that Santa Maria ISD take advantage of the allowable fuel tax exemption for fuel used in school buses by either not paying the tax at the point of sale or by applying to the Comptroller of Public Accounts for a refund of tax paid. If the district chooses the second option, they will be required to keep accurate record of all invoices documenting fuel purchased by gallon and cost.

Since the district does not keep records as to how many gallons of fuel they purchase, only an estimate can be made as to how much the district overpaid for fuel by not exercising their fuel tax exemption. Using the 12.8 percent as shown in **Exhibit 10–7**, the district paid $4,126 in fuel tax that they were not required to ($32,233 X 12.8% = $4,126).

EXHIBIT 10–7
FUEL TAX
PERCENTAGE OF TOTAL COST PER GALLON OF FUEL
$3.00 AVERAGE PER GALLON 2010

TOTAL COST PER GALLON	STATE FUEL TAX PER GALLON	FEDERAL FUEL TAX PER GALLON	TOTAL FUEL TAX PER GALLON	FUEL TAX PERCENTAGE PER GALLON
$3.00	.20	.184	.384	12.8%

Source: Review team analysis, 2011.

A comparison was made between Santa Maria ISD and three demographically similar school districts regarding the level of expenditures for student transportation. Santa Maria ISD expended more for transportation in both percentage of the general fund budget and total dollars expended per student. Both comparisons are shown in **Exhibit 10–8** and **Exhibit 10–9**.

Santa Maria ISD should take advantage of the allowable exemptions from paying state and federal fuel tax on fuel used in their buses.

By taking advantage of the exemption from paying state and federal fuel tax, the district can move closer to the level of

spending of the comparison school districts and reduce expenditures by approximately $4,126 annually ($32,233 x 12.8%).

EXHIBIT 10–8
PERCENTAGE OF TOTAL EXPENDITURES FOR TRANSPORTATION
GENERAL FUND
THREE-YEAR COMPARISON

YEAR	PRESIDIO ISD	PROGRESO ISD	SANTA ROSA ISD	SANTA MARIA ISD
2007–08	3.10%	2.47%	1.46%	3.37%
2008–09	2.43	2.76	1.62	2.73
2009–10	2.69	2.66	1.99	2.86
Three-Year Average	2.74%	2.63%	1.69%	2.98%

Source: Texas Education Agency Actual Financial Data, 2007–10.

EXHIBIT 10–9
TOTAL EXPENDITURES PER STUDENT FOR TRANSPORTATION
GENERAL FUND
THREE-YEAR COMPARISON

YEAR	PRESIDIO ISD	PROGRESO ISD	SANTA ROSA ISD	SANTA MARIA ISD
2007–08	$248	$177	$129	$322
2008–09	$220	$209	$129	$209
2009–10	$259	$212	$168	$232
Three-Year Average	$242	$199	$142	$254

Source: Texas Education Agency Actual Financial Data, 2007–10.

EMERGENCY MANAGEMENT PLANNING (REC. 52)
Santa Maria ISD lacks safety and emergency management practices and procedures that are mutually developed, evaluated, and enforced.

Onsite review of practices throughout Santa Maria ISD regarding school transportation identified the following:

- Schools do not have an established method to communicate with a school bus while in transport.

- Buses do not have two-way communication equipment installed.

- Video surveillance is not available on buses.

- Bus evacuation drills are not conducted.

- Buses are loaded beyond established seating capacity if spare buses are not available.

- Student misconduct reporting procedures are not established.

- Routine inspection of safety equipment is not scheduled.

- An emergency response plan has not been developed.

The transportation department must be prepared for a wide variety of bus, school, and community emergencies. School and transportation emergency response plans must be closely coordinated. Students are placed at a higher level of risk when emergency practices and procedures have not been developed and enforced. Santa Maria ISD continues to place its students at a higher level of risk due to the lack of emergency planning between the school and the transportation department.

A comprehensive "best practice" resource for use by school transportation officials was developed by the Pupil Transportation Safety Institute. The 74-page document titled, School Transportation Safety Assessment Checklist includes a broad spectrum of criteria for running a model student transportation program. It is designed to help a district make an informed assessment regarding the implementation of safe practices for the transportation program. **Exhibit 10–10** identifies selected criteria from the document that are particularly relevant to Santa Maria ISD. These only represent a small sampling of the comprehensive list that was developed for the document. A sample comparison between model criteria and current practice in Santa Maria ISD is made in the exhibit.

Santa Maria ISD does not have sufficient plans in place to adequately meet safety and emergency response expectations. The lack of adequate planning places students at risk. Resources are available through the Texas School Safety Center (TxSSC) and Region 1 to survey existing practice and develop written policy and procedures concerning emergency prevention, preparedness, and response.

Santa Maria ISD should establish, at a minimum, written expectations for prevention of, preparedness for, and response to emergencies that involve the student transportation program.

Santa Maria should access assistance from Region 1 and TxSSC and develop a written multi-hazard emergency plan that includes procedures that address each of these categories. The plans should be approved at the school board level and expectations for implementation should be established.

EXHIBIT 10–10
SANTA MARIA ISD CURRENT PRACTICE
SCHOOL TRANSPORTATION SAFETY ASSESSMENT CHECKLIST

SCHOOL TRANSPORTATION SAFETY ASSESSMENT CRITERIA	CURRENT PRACTICE SANTA MARIA ISD
A two-way communication system is capable of communicating with all regular route buses.	District does not utilize two-way radios. Drivers are given cellular phones to call the supervisor. Schools do not have the authorization to call the driver directly.
An up-to-date student roster for each run is carried on the bus.	Student rosters with name, address, and contact information are not maintained.
Bus drills include hands-on practice in evacuation through emergency exits.	Bus evacuation drills do not occur while bus is on route or at the school.
Students who don't ride the bus everyday also receive drills.	Students who ride the bus on field or extracurricular trips do not participate in drills.
Buses are equipped with video cameras.	Buses do not have video cameras to monitor student behavior.
The district emergency plan clearly defines the role of transportation personnel in various school emergencies.	A written emergency plan that involves student transportation has not been established.
A plan is in place for evacuating the entire student body at once.	An evacuation plan that involves student transportation has not been established.
Bus drivers are provided with a written list of their responsibilities if they are involved in an accident.	Drivers have not been trained in district procedures should they be involved in an accident.
Fire extinguishers are checked by a professional service at least once a year.	Fire extinguishers are not serviced on any predetermined schedule.

Sources: Pupil Transportation Safety Institute, 2006; Santa Maria ISD Transportation Department, 2011.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

SEPARATION OF MOTOR VEHICLES (REC. 53)

The district lacks separation for bus loading, student drop-off, and visitor parking at the schools.

Currently, the district uses staff to monitor loading and unloading of students on buses in conjunction with student drop-off and visitor parking. There are no formal procedures or guidelines to assist staff, parents, and students during these times. Observations of the current practice showed parents driving and parking between the middle school and elementary school while buses trying to load during an afternoon dismissal. Students were observed walking and visiting with each other in the midst of the bus and parent vehicle traffic.

The current practice is neither practical nor safe for students, drivers, or staff trying to monitor traffic flow. The State of Colorado requires all PK–12 schools to have vehicle separation and the national publication, *Safe Routes to School Guide,* states that "adequate physical space should be provided for each mode by which students arrive at school." The creation of dedicated lanes for buses away from other motor vehicles can be accomplished through the use of signs, pavement markings, or orange cones. Another effective alternative is to temporarily close or block off the street in front of the school buildings during arrival and departure times to improve safety of the students.

The Texas Transportation Institute's *Traffic Operations and Safety at Schools: Recommended Guidelines*, a report sponsored by the Texas Department of Transportation, recommends separation of basic arrival modes as an example of good practice.

Santa Maria ISD should create a transportation safety committee to discuss and address the ways in which separation can occur to provide a more safe and effective practice for the district. The committee should consist of parents, the district's police chief, transportation/maintenance director, school principals, the superintendent, and county transportation officials. During the school review team's onsite visit, it was noted that buses could use the back parking lot between the elementary and middle school for drop-off and pick-up and have parents use a one-way option on the main street to drop off students by the sidewalk in front of the elementary school or in the high school lot. All parents,

students, and staff should be notified of changes and be provided with information regarding the safety rationale behind the separation. Once a final decision has been reached, appropriate signage should be ordered and placed in appropriate places as reminders to the community, parents, staff, and students.

This recommendation can be implemented with existing resources. Once a process is accepted, signage and other material should be appropriately integrated.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
47. Create a manual or handbook detailing the policies and procedures necessary for the safe and efficient operation of the student transportation program, as well as participate in professional development.	($500)	($500)	($500)	($500)	($500)	($2,500)	$0
48. Repair and securely fasten all damaged seats to be consistent with federal safety standards for school bus seats.	($2,400)	($2,400)	($2,400)	$0	$0	($7,200)	$0
49. Develop an inventory of their current fleet of buses and develop a bus replacement plan that is predictable and affordable.	($50,666)	($50,666)	($50,666)	($50,666)	($50,666)	($253,330)	$0
50. Develop a comprehensive vehicle maintenance plan that requires all service and repair to be performed by certified mechanics.	$0	$0	$0	$0	$0	$0	$0
51. Take advantage of the allowable exemptions from paying state and federal fuel tax on fuel used in their buses.	$4,126	$4,126	$4,126	$4,126	$4,126	$20,630	$0
52. Establish, at a minimum, written expectations for prevention of, preparedness for, and response to emergencies that involve the student transportation program.	$0	$0	$0	$0	$0	$0	$0
53. Create a transportation safety committee to discuss and address the ways in which separation can occur to provide a more safe and effective practice for the district.	$0	$0	$0	$0	$0	$0	$0
TOTALS CHAPTER 10	**($49,440)**	**($49,440)**	**($49,440)**	**($47,040)**	**($47,040)**	**($242,400)**	**$0**

CHAPTER 11

FOOD SERVICE

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 11. FOOD SERVICE

Food service examines the ability of the Santa Maria ISD Child Nutrition/Food Service Department to meet the goal of providing wholesome, nutritious, appealing meals to students through the Child Nutrition Programs (CNP); while meeting all local, state, and federal requirements and remaining fiscally self-sustaining.

The district participates in the following CNP: the National School Lunch Program (NSLP); the School Breakfast Program (SBP); the Afterschool Snack Program (ASSP) and the Summer Food Service Program (SFSP). Federal reimbursement for free, reduced-price, and full-price meals; United States Department of Agriculture (USDA) donated foods; state funds; and revenues from the sale of meals and a la carte foods fund these programs. Additionally, Santa Maria ISD caters breakfast and lunch to the Head Start Program.

The district participates in Special Assistance Provision 2, an alternative to standard methods for counting meals claimed for reimbursement. Applications for free and reduced-priced meals are taken during the base year; percentages of free, reduced-price, and full-price meals are developed by the campus; all students are served breakfast and lunch at no charge; and the base year percentages are applied to the total monthly counts of reimbursable meals served during subsequent years.

FINDINGS

- Santa Maria ISD requires each elementary and middle school student take a reimbursable lunch, which may not be consistent with the National School Lunch Program.

- The district has not developed standards for food, labor, and non-food expenditures as a percentage of revenue or monthly profit and loss statements to support financial decisions made in the operation of the NSLP and SBP.

- The counting procedures currently used to record reimbursable breakfasts served in the classrooms appear to not be consistent with the procedures on file with Texas Department of Agriculture (TDA) and do not yield accurate claims.

- The district uses the standard 94 percent attendance factor provided by the USDA instead of the school-specific monthly average daily attendance (ADA) percentages when performing the Accuclaim edit check.

- While student participation in the NSLP and SBP is high, the district does not maximize participation.

- The district lacks variety in their menus and a la carte program.

- The food service department lacks a standardized management system for kitchen operations including lack of standardized recipes and food production records for 2011–12.

- The food service department has not developed, nor does it use a district staffing formula; and does not use written daily and menu-specific work schedules to direct food production, service, and clean-up.

- There is an excessive amount of food waste in the operation of the School Breakfast Program, from preschool student lunches, and from select bread items.

- The district lacks an annual training plan for food service employees; membership in the School Nutrition Association (SNA); and employees do not participate in the SNA certification program.

- The district lacks written procedures regarding the use of USDA foods.

- The route delivery of the breakfast carts to Santa Maria Middle School is unnecessarily difficult and potentially dangerous.

- The district failed to maximize the resources available to procure fresh fruits and vegetables through the USDA Fresh Fruits and Vegetables Program grant.

- The cafeteria's style of service contributes to temperatures lower than recommended, and use of unnecessary disposables.

RECOMMENDATIONS

- **Recommendation 54: Cease requiring every elementary and middle school student to select a reimbursable lunch.**

- **Recommendation 55: Develop standards for food, labor, and non-food expenditures as a percentage of revenue and monitor profit and loss against the established percentages monthly.**

- **Recommendation 56: Monitor breakfast in the classroom service routinely to ensure that teachers are conforming to the approved counting and claiming procedures; and that the only breakfasts claimed are reimbursable.**

- **Recommendation 57: Secure and use the current monthly school-specific attendance factors when performing the required Accuclaim edit checks prior to submitting the monthly reimbursement claim to TDA.**

- **Recommendation 58: Evaluate options to improve service with the goals of increasing participation in the SBP and NSLP and making the school cafeteria a place where students, staff and community members want to eat.**

- **Recommendation 59: Add variety to their menus and an a la carte program.**

- **Recommendation 60: Develop and employ a standardized management system based on a cycle menu, including standardized recipes for every preparation, and complete and accurate food production records.**

- **Recommendation 61: Develop staffing formulas and daily menu-specific work schedules to direct food production and service.**

- **Recommendation 62: Conduct studies of food waste as a result of procedures used in the operation of the breakfast in the classroom program; and monitor plate waste in the cafeteria to determine foods that may need to be eliminated from the menu or served in a reduced portion size.**

- **Recommendation 63: Develop an annual training plan for food service employees, incorporating training opportunities and materials provided by**

SNA, as well as in-service and annual ESC summer workshops.

- **Recommendation 64: Develop and have readily available for review, written procedures regarding the use of USDA food.**

- **Recommendation 65: Investigate alternative routes for breakfast cart delivery, repair the potholes, or provide a sidewalk to ease the daily movement of these carts in a safe manner.**

- **Recommendation 66: Closely monitor the use of USDA Fresh Fruits and Vegetables Program grant funds and make purchases that maximize the benefits of these funds to children.**

- **Recommendation 67: Re-evaluate methods of serving meals to maximize efficiency.**

DETAILED FINDINGS

REQUIRED PARTICIPATION (REC. 54)

Santa Maria ISD requires each elementary and middle school student take a reimbursable lunch, which may not be consistent with the National School Lunch Program.

The school review team observed middle school students not eating any part of the lunch they selected. When asked why, they responded they were required to take it. Teachers, food service staff members, and other students verified that the district practice is for each student to select a reimbursable lunch. District personnel do not enforce this practice at the high school level.

Each day the district offers four components (at least five food items) as a reimbursable lunch. Under the Offer vs. Serve Provision, the student may refuse any or all components of the meal. If a student selects less than three components, food service staff may suggest and encourage that the student select additional foods but cannot force them to take the foods in order to claim reimbursement for the meal. If a student selects one or two components, a la carte prices may be charged.

The *Resource Guide for Offer versus Serve in the School Nutrition Program* offers the following explanation:

> What are the general OVS requirements for lunches and breakfasts?
>
> - *The choice of which food items to select is strictly the student's decision. Schools cannot specify which food items a student must select. However, if the menu*

has a combination food such as pizza that contains, for example, three of the five required food items for the NSLP, the student must select the pizza if there are not enough additional items available to select a reimbursable lunch.

- *Students must take full servings of the food items selected to count toward a reimbursable meal. Students may take smaller portions of any food item; however, the smaller portions do not count towards a reimbursable meal.*

- *Students may decline any item, including the entrée or milk in a food-based menu planning approach.*

The district should cease requiring every elementary and middle school student to select a reimbursable lunch. The district should develop a written plan to notify students, school staff members, and parents, that students are not required to select a reimbursable meal at lunch.

In that the district participates in Special Provision 2, and serves all meals to students at no cost, levels of participation in the NSLP and SBP will be high, but seldom do school cafeterias serve every child every day.

The reduction in federal reimbursement cannot be determined, as it is unclear what percentage of students will take a full or partially reimbursable meal once OVS is observed.

EXPENDITURES AS PERCENTAGE OF REVENUE (REC. 55)

The district has not developed standards for food, labor, and non-food expenditures as a percentage of revenue, nor monthly profit and loss statements to support financial decisions made in the operation of the NSLP and SBP.

In addition, the recently hired food service director has not yet analyzed the financial status of the programs, nor formulated any financial goals for the district's CNP operations. In 2010–11, Santa Maria ISD received funds to support its food service operations from four sources:

1. Federal reimbursements through the NSLP and the SBP;

2. State matching funds required by federal law;

3. Cash payments from students, district staff members, and parents who purchase meals, and a la carte items; and

4. Catered meals to Head Start.

Exhibit 11–1 shows the dollar value and percentage of each of these funding sources during Fiscal Year 2010–11. At 84 percent of total revenue, federal funds are the most significant source of funding for CNP; followed by Head Start funds at 9 percent, and local funds at 7 percent. State matching funds contributed less than 1 percent, $2,630. Total expenditures for the programs were $492,295, leaving $10,104 unspent.

EXHIBIT 11–1
SOURCES OF CHILD NUTRITION PROGRAMS FUNDING 2010–11
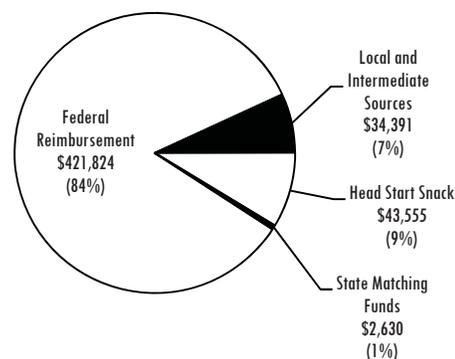
NOTE: Rounding used.
SOURCE: Santa Maria ISD General Ledger Account Summary, August 2011.

Exhibit 11–2 shows a comparison of CNP revenue and expenditures over a three-year period. It appears that there are significant variances in specific revenues and expenditures from year to year; however, neither the food service director nor business manager could identify the reasons for such dramatic changes as they occur.

Exhibit 11–3 compares industry standards to district expenditures as a percentage of revenue over a three year period, from 2008–09 through 2010–11.

Revenue: The revenue increased significantly during 2009–10, and dropped during 2010–11 by $11,143. During the same period, breakfast revenue dropped by $28,198, from $147,843 to $119,645. The breakfast revenue for 2008–09 is more in line with 2009–10 at $149,233.

Labor: Labor costs were significantly lower (27.64%) than industry standards of 40 to 45 percent of revenue during 2008–09. During the last two years, the cost of labor rose due to the addition of a food service director. A Fresh Fruit

EXHIBIT 11–2
COMPARISON OF CNP REVENUE AND EXPENDITURES
2008–09 TO 2010–11
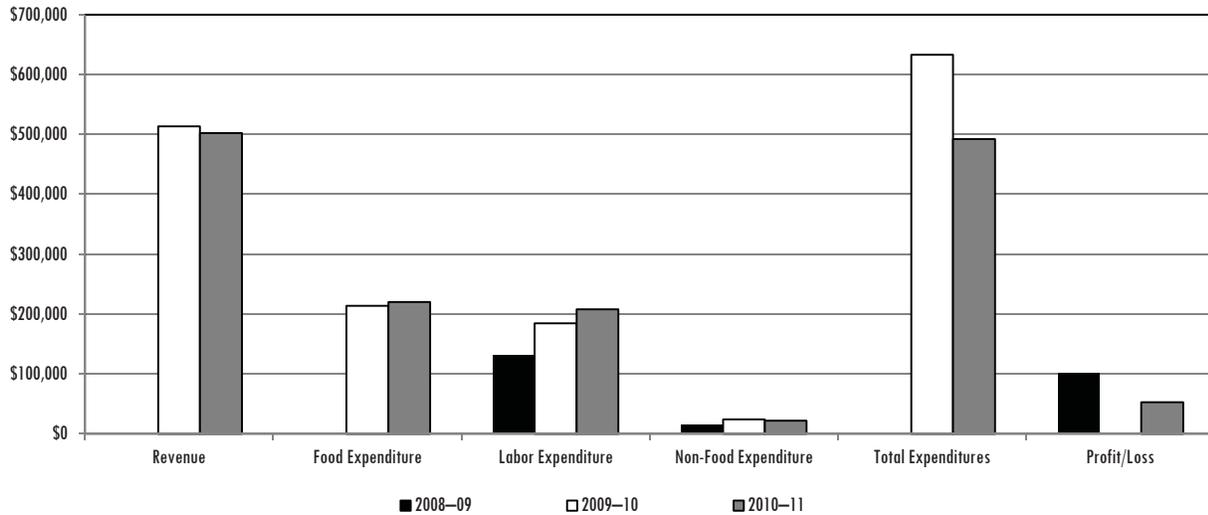
SOURCES: Santa Maria ISD General Ledger Account Summary for the 2008–09, 2009–10, and 2010–11.

EXHIBIT 11–3
SANTA MARIA ISD EXPENDITURES COMPARED TO INDUSTRY STANDARDS
2008–09 TO 2010–11

	INDUSTRY STANDARDS AS A PERCENTAGE OF REVENUE	2008–09	EXPENDITURE AS A PERCENTAGE OF REVENUE	2009–10	EXPENDITURE AS A PERCENTAGE OF REVENUE	2010–11	EXPENDITURE AS A PERCENTAGE OF REVENUE
Revenue		$475,643		$513,542		$502,399	
Labor	40–45%	$131,457	27.64%	$184,645	40.5%	$207,715	41.3%
Food	40–45%	$185,360	38.97%	$213,509	41.6%	$220,238	43.8%
Non-Food	0–0%	$15,317	3.22%	$24,295	4.7%	$21,679	4.3%
Total Food, Labor, Non-Food Expenditures	80–95%	$332,134	69.8%	$422,449	82.3%	$449,632	89.5%
Difference Between Revenue and Expenditures	0–5%	$143,509	30.2%	$91,093	17.7%	$52,767	10.5%

SOURCES: Santa Maria ISD General Ledger Account Summary for 2008–09, 2009–10, and 2010–11.

and Vegetable Program grant from the USDA also allowed for an additional 19-hour per week kitchen employee during 2010–11 and the current school year 2011–12.

The district does not provide the food service staff members with annual evaluations; or annual or merit raises. Even after the addition of a director, the percentage of revenue spent on labor remains below industry standards, and the program is operating with a positive fund balance.

Food: The industry standard for food cost is 40 to 45 percent. Because approximately 50 percent of the menu items are prepared from scratch, food costs appear to be on target.

Non-Food and Profits: Using the industry standards, non-food costs and potential profit comes from the 10–20 percent of revenue remaining, and varies by district. Santa Maria ISD non-food costs appear within normal range. The unspent revenue in the three school years represented in **Exhibit 11–3** is higher than typical; yet may be due in part to the district practice of requiring all students to select a reimbursable meal, keeping federal revenue at the highest possible levels; however, if this practice stops, the ADP should still remain high. Additionally, there may be expenditures unknown and unaccounted for in **Exhibit 11–3**.

Exhibit 11–4 shows the difference between the total expenses as indicated in the general ledger account summary in contrast with the sum of the food, labor, and non-food expenses.

The Texas Department of Agriculture (TDA) conducted a Coordinated Review Effort (CRE) in November 2010. The reviewer determined that the CNP account's net cash resources exceeded three months operating expenditures. Total expenditures during 2009–10 reflect the purchase of furniture for the school cafeteria for $107,000, made in order to reduce the fund balance; however, total expenditures for that year were $209,308 in excess of food, labor, and non-food expenses. Additional expenditures for 2008–09 were

$42,251, and for 2010–11 were $42,665. The district is unable to identify the source of the additional expenditures, beyond food, labor, and non-food.

The district's response to the CRE excess fund balance citation on the corrective action plan reads, "The Child Nutrition finances will be monitored more closely. The director will meet with the business manager on a monthly basis to review revenue and expenditure reports. The director and business manager will plan a yearly budget annually based on anticipated reimbursements, forecasted expenses and planned program improvements."

The review team found that the procedures described in the district's response to TDA do not appear to be in effect. If the food service director does not routinely monitor revenue and expenditures according to established goals, the programs can quickly slip into operating at a deficit. During 2010–11, expenditures were 98 percent of revenue; this is a drastic increase over the 78.7 percent spent in 2008–09.

Santa Maria ISD should develop standards for food, labor, and non-food expenditures as a percentage of revenue and monitor profit and loss against the established percentages monthly. Additionally, any significant changes in program revenue or expenditures should be investigated promptly. Furthermore, the food service director should be closely involved in setting financial goals for the programs, planning

EXHIBIT 11–4
TOTAL EXPENDITURES VERSUS FOOD, LABOR, AND NON-FOOD EXPENDITURES
2008–09 TO 2010–11

	2008–09	EXPENDITURE AS A PERCENTAGE OF REVENUE	2009–10	EXPENDITURE AS A PERCENTAGE OF REVENUE	2010–11	EXPENDITURE AS A PERCENTAGE OF REVENUE
Revenue	$475,642		$513,542		$502,399	
Total Expenses from Ledger	$374,385	78.7%	$631,756	123%	$492,296	98%
Total Food, Labor, Non-Food	$332,134	69.8%	$422,447	82.3%	$449,631	89.5%
Expenditures						
Total Expenses Minus Food, Labor and Non-Food	$42,251		$209,308		$42,665	
Revenue Minus Total Expenditure from Ledger	$101,257	21.3%	($118,214)	(23%)	$10,103	2%

NOTE: Numbers may not add up due to rounding.
SOURCES: Santa Maria ISD General Ledger Account Summary for 2008–09, 2009–10, and 2010–11.

implementation, and monitoring progress toward achieving those goals.

This recommendation can be implemented using existing resources.

BREAKFAST COUNTING PROCEDURE (REC. 56)

The counting procedures currently used to record reimbursable breakfasts served in the classrooms appear to not be consistent with the procedures on file with Texas Department of Agriculture (TDA) and do not yield accurate claims.

Although the food service director held training sessions for teachers at the beginning of the school year, and provided support materials at that time, few teachers could locate those materials or appeared confident in their knowledge of what a student is required to select in order to claim a breakfast for reimbursement.

During the monitoring of breakfast service in the classrooms at each school, 34 of 98 meals, or 35 percent, of the meals observed were not reimbursable. The difficulty in accurately monitoring student selections and counting procedures resulted in a small sample because there was little control over the process in any of the visited classrooms. Multiple students took two of the same menu item (two sandwiches or two juices) and many students gave foods they did not want to other students. Therefore, it was not possible to determine exactly what a student had selected. Examples pertaining to the lack of control include:

- Few teachers took the count at the point of service (POS), when the student actually selected the meal.

- Teachers recording the information used a variety of procedures including asking students what they took at the end of the serving period; asking students if they ate; counting everyone present "because they all eat;" counting any student who took two items; and counting any student who took the entrée and one other item. Some teachers admitted that they did not know how to determine if a breakfast was reimbursable. Several teachers defined a reimbursable breakfast as the student taking the whole entrée, or the whole breakfast.

- There were substitute teachers at the elementary school on the day of the visit. Of the substitutes, two appeared not to have the counting and claiming training materials available to them.

- One classroom was short milk and at least seven students did not have access to all components of the breakfast. The teacher did not attempt to secure additional cartons of milk.

- Normally, the breakfast combo bar is individually wrapped with a slice of bread; when the student selects this entrée, he automatically receives two grains/breads servings. The kitchen was short on bread the day combo bars were served and so the staff substituted graham crackers as the second grains/breads serving. The problem this created was that the students selected the combo bar but did not select the graham crackers; therefore, those who selected only one other item (juice or milk) did not have a reimbursable breakfast. This particular breakfast combination was not included on the teachers' training materials.

- During 2010–11, the CNP aide removed 197 breakfasts from the claims due to children who were absent from school counted as having received a reimbursable breakfast.

It appeared to the review team while onsite that discrepancies noted on the CRE conducted in November 2010 continue.

Although compliance with all state and federal regulations is imperative in the operation of the CNP, districts must exercise diligence in self-monitoring compliance in the critical areas addressed in the CRE in order to protect their reimbursement.

Critical areas of the CRE review are composed of Performance Standard 1 (Meal Counting and Claiming) and Performance Standard 2 (Meal Components and Quantities). The district must ensure that the number of meals counted and claimed for reimbursement is accurate, and the meals claimed met meal pattern requirements or they risk losing funds. Fiscal action could result if a CRE reviewer notes an overclaim due to violations in either of these two areas. An overclaim is the portion of a district's claim for reimbursement that exceeds the federal financial assistance that is properly payable. If the TDA establishes an overclaim value in error, Santa Maria ISD may have to reimburse those funds collected.

Santa Maria ISD should monitor breakfast in the classroom service routinely to ensure that teachers are conforming to the approved counting and claiming procedures; and that the only breakfasts claimed are reimbursable. Since the counting and claiming procedures currently used by the district do not

conform to the procedures on file with TDA, the district should locate a copy of the Policy Statement for Free and Reduced-Priced Meals, Attachment B: Meal Count/Collections Procedure(s) and:

- Re-establish the approved counting and claiming procedures for breakfast in the classroom; or re-write the procedures and submit to TDA for approval prior to implementation.

Additionally, Santa Maria ISD should repeat teacher training on the counting procedures for breakfast in the classroom with emphasis on the individual student breakfast selections required to count a meal as reimbursable. Provisions should be made to ensure that substitute teachers who will be performing this duty have access to sufficient information to do the task properly. Include instructions on what to do if an inadequate number of servings are provided by the cafeteria in order to ensure that each student is offered a complete breakfast. Using the breakfast reimbursement claims for 2010–11, **Exhibit 11–5** demonstrates the potential monthly and annual overclaim for breakfasts served in the classroom if the similar student selections, and counting and claiming procedures were observed during the course of a CRE, and 35 percent of the meals claimed were found to be non-reimbursable.

TDA determines CRE overclaims based on the longevity and severity of the violation. The reclaim could be as little as the

EXHIBIT 11–5
2010–11 VALUE OF POTENTIAL BREAKFAST OVERCLAIM

REIMBURSEMENT PERIOD	BREAKFAST REIMBURSEMENT	35% NON-REIMBURSABLE BREAKFASTS
August, 2010	$5,277.00	$1,846.95
September, 2010	$17,508.00	$6,127.80
October, 2010	$17,344.00	$6,070.40
November, 2010	$15,952.00	$5,583.20
December, 2010	$9,601.00	$3,360.35
January, 2011	$14,256.00	$4,989.60
February, 2011	$13,883.00	$4,859.05
March, 2011	$14,719.72	$5,151.90
April, 2011	$16,668.34	$5,833.94
May, 2011	$14,432.68	$5,051.44
TOTAL	**$139,641.74**	**$48,874.61**

Source: Santa Maria ISD reimbursement claims, 2010–11.

meals claimed during the review month, to funds claimed over multiple years; therefore, the fiscal impact is unknown.

This recommendation can be implemented using existing resources.

ACCUCLAIM EDIT CHECKS (REC. 57)

The district uses the standard 94 percent attendance factor provided by the USDA instead of the school-specific monthly average daily attendance (ADA) percentages when performing the Accuclaim edit check.

Although using the standard 94 percent is an acceptable practice, in a district serving a high percentage of students daily, a school-specific attendance factor more accurately alerts the district to potential overclaims.

USDA developed federal regulations referred to as Accuclaim to improve the accuracy and accountability of reimbursement claims. Proper implementation of the Accuclaim regulations, which include edit checks and on-site reviews, will help ensure accuracy and prevent overclaims. Accuclaim guidance states, "Prior to the submission of a monthly claim for reimbursement, the district shall compare each school's daily claim using the Accuclaim edit check process. This process assists in the identification and correction of claims for reimbursement that are in excess of the number of reimbursable free, reduced-price and paid lunches actually served per day to children eligible for such lunches."

Districts are required to review the lunch count data for each Provision 2 school during the base year. During non-base years, the district must conduct a simplified edit check in which the Provision 2 school's total daily meal counts are compared to the school's total enrollment, and adjusted by an attendance factor. Districts must promptly follow-up when the claims review process suggests the likelihood of lunch count problems; and should document the steps taken to correct any identified problems.

Exhibit 11–6 demonstrates the actual individual school attendance factor percentages for each month of 2010–11, and for August and September of 2011–12. Each time the attendance factor in **Exhibit 11–6** dips below the 94 percent non-school-specific attendance factor, there is an opportunity to miss overclaims for the month. An adjustment to the elementary school ADA was necessary prior to calculating the attendance factor. According to the PEIMS coordinator, preschoolers count as one-half in the ADA; 33 students represent one-half of the number of preschoolers present on

EXHIBIT 11–6
ATTENDANCE FACTOR PERCENTAGES BY SCHOOL WITH DISTRICT TOTALS
2010–11 AND AUGUST–SEPTEMBER 2011–12

Tony Gonzalez Elementary												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
Reported ADA	305.50	305.57	306.66	296.58	288.58	295.84	294.25	288.08	291.12	294.87	321.50	317.83
ADA Preschool Adjustment	33	33	33	33	33	33	33	33	33	33	33	33
ADA with Preschool	339	339	340	330	322	329	327	321	324	328	355	351
Enrollment	360	360	360	359	352	357	356	350	352	352	364	366
Attendance Factor	94.0%	94.0%	94.4%	91.8%	91.5%	92.2%	91.9%	91.7%	92.1%	93.1%	97.4%	95.9%

Santa Maria Middle School												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
ADA	181.14	184.29	185.05	186	186.62	188.53	183.94	179.47	184.19	183.05	142.25	149
Enrollment	188	189	195	196	199	199	194	192	195	193	148	151
Attendance Factor	96.4%	97.5%	94.9%	94.9%	93.8%	94.7%	94.8%	93.5%	94.5%	94.8%	96.1%	98.7%

Santa Maria High School												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
ADA	143.43	149.81	151.43	151.37	148.85	147.47	144.67	141.37	143.67	144.95	134.25	138.52
Enrollment	152	157	160	161	161	162	157	155	156	153	144	145
Attendance Factor	94.4%	95.4%	94.6%	94.0%	92.5%	91.0%	92.1%	91.2%	92.1%	94.7%	93.2%	95.5%

District Totals												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
ADA	663	673	676	667	657	665	656	642	652	656	631	638
Enrollment	700	706	715	716	712	718	707	697	703	698	656	662
Attendance Factor	94.7%	95.3%	94.6%	93.1%	92.3%	92.6%	92.8%	92.1%	92.7%	94.0%	96.2%	96.4%

SOURCE: Review team analysis using information provided by the Santa Maria ISD PEIMS Coordinator, October 2011.

any given day. The exhibit reflects adjustments to the ADA for the elementary school and school district totals.

The afternoon preschool students eat breakfast and lunch in the district's Head Start rooms; and afternoon snacks at the school cafeteria. The district bills Head Start monthly at the following rates: $2.87 per lunch; $1.70 per breakfast; and $1.01 per snack. **Exhibit 11–7** demonstrates the adjustment of the Tony Gonzalez Elementary School enrollment and the total district enrollment to reflect the lower number of students to whom breakfast and lunch may be claimed by the district.

EXHIBIT 11–7
ADJUSTED ENROLLMENTS DUE TO AFTERNOON PRESCHOOL, TONY GONZALEZ ELEMENTARY SCHOOL AND DISTRICT TOTALS
2010–11 AND AUGUST–SEPTEMBER 2011–12

Tony Gonzalez Elementary												
School Year	**2010–11**										**2011–12**	
Month	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**Apr**	**May**	**Aug**	**Sept**
Enrollment	360	360	360	359	352	357	356	350	352	352	364	366
PM Preschool	37	38	39	38	38	37	37	37	37	37	33*	33*-
Adjusted Enrollment	323	322	321	321	314	320	319	313	315	315	331	333

Santa Maria ISD District Totals												
School Year	**2010–11**										**2011–12**	
Month	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**Apr**	**May**	**Aug**	**Sept**
Enrollment	700	706	715	716	712	718	707	697	703	698	656	662
PM Pre-School	37	38	39	38	38	37	37	37	37	37	33	33
Adjusted Enrollment	663	668	676	678	674	681	670	660	666	661	623	629

*Count on September 5, 2011, as per CNP aide.
SOURCE: Created by review team analysis using information provided by the Santa Maria ISD Public Education Information Management System (PEIMS) Coordinator, October 2011.

Exhibit 11–8 shows the attendance factor reduced enrollment for each school and the ADP for breakfast and lunch for each month in 2010–11, and August–September 2011–12.

The ADP lunch for the elementary school during the month of February, and for the high school in the month of August 2010 exceeds 100 percent of the ADA. This does not necessarily mean that the school overclaimed but gives the district reason to further research the counts prior to submitting the claim. High percentages of lunch ADP in the elementary and middle schools are probably correct in that every child is currently required to select a lunch.

The district should secure and use the current monthly school-specific attendance factors (divide the ADA by the total enrollment) when performing the required Accuclaim edit checks prior to submitting the monthly reimbursement claim to TDA. This practice will provide the district with the most accurate edit check and more accurately identifies potential overclaims due to errors in the counting and claiming procedures, thus protecting reimbursement.

This recommendation can be implemented using existing resources.

INCREASE PARTICIPATION (REC. 58)

While student participation in the NSLP and SBP is high, the district does not maximize participation.

It is unlikely that any district will ever achieve 100 percent participation in the SBP and NSLP every day; however, the district has a few factors working in its favor:

- The food service staff provides quality food. Although there are some issues with temperature control, which can be easily resolved, the serving line is set up with care, and the food display is attractive and inviting.

- The community offers little competition from local restaurants against the NSLP and SBP and students may participate in both programs at no charge.

- There is a high percentage of students who qualify for free and reduced-price meals, indicating need. Students leaving school to participate in college programs have asked for a breakfast prior to leaving campus because they "are hungry" in the morning.

- The campuses are closed; the students have no other options except bringing food from home or skipping meals.

EXHIBIT 11–8
ADA AS COMPARED TO ADP FOR BREAKFAST AND LUNCH, BY SCHOOL
2010–11 AND AUGUST–SEPTEMBER 2011–12

Tony Gonzalez Elementary												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
Adjusted Enrollment	323	322	321	321	314	320	319	313	315	315	331	333
Attendance Factor	94.0%	94.0%	94.4%	91.8%	91.4%	92.1%	91.9%	91.7%	92.1%	93.1%	97.4%	95.9%
ADA	304	303	303	295	287	295	293	287	290	293	322	319
ADP Breakfast	233	251	258	258	245	254	250	250	251	247	Not Available	275
Percentage of ADP Breakfast Claimed	76.7%	82.9%	85.1%	87.6%	85.4%	86.2%	85.3%	87.1%	86.5%	84.2%	Not Available	86.1%
ADP Lunch	259	297	297	289	285	294	294	286	289	293	Not Available	313
Percentage of ADP Lunch Claimed	85.3%	98.1%	98.0%	98.1%	99.3%	99.8%	100.3%	99.6%	99.6%	99.9%	Not Available	98.0%

Santa Maria Middle School												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
ADA	181	184	185	186	187	189	184	180	184	183	142	149
ADP Breakfast	138	154	151	156	151	146	141	144	150	142	Not Available	130
Percentage of ADP Breakfast Claimed	76.3%	83.7%	81.6%	83.9%	80.7%	77.2%	76.6%	80.0%	81.5%	77.6%	Not Available	87.2%
ADP Lunch	171	177	177	177	178	184	180	175	179	168	Not Available	145
Percentage of ADP Lunch Claimed	94.5%	96.2%	95.7%	95.2%	95.2%	97.4%	97.8%	97.2%	97.3%	91.8%	Not Available	97.3%

Santa Maria High School												
School Year	2010–11										2011–12	
Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Aug	Sept
ADA	143	150	151	151	149	148	145	141	144	145	134	139
ADP Breakfast	87	101	92	96	89	80	77	76	80	72	Not Available	81
Percentage of ADP Breakfast Claimed	60.8%	67.3%	60.9%	63.6%	59.7%	54.1%	53.1%	53.9%	55.6%	49.7%	Not Available	58.3%
ADP Lunch	147	148	147	144	124	131	125	120	121	107	Not Available	120
Percentage of ADP Lunch Claimed	102.8%	98.7%	97.4%	95.4%	83.2%	88.5%	86.2%	85.1%	84.0%	73.8%	Not Available	86.3%

EXHIBIT 11–8 (CONTINUED)
ADA AS COMPARED TO ADP FOR BREAKFAST AND LUNCH, BY SCHOOL
2010–11 AND AUGUST–SEPTEMBER 2011–12

School Year	2010–11										2011–12	
Month	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**Apr**	**May**	**Aug**	**Sept**
ADA	628	637	639	632	623	632	622	608	618	621	598	607
ADP Breakfast	457	506	501	509	485	480	468	470	481	461	Not Available	486
Percentage of ADP Breakfast Claimed	72.8%	79.4%	78.4%	80.5%	77.8%	75.9%	75.2%	77.3%	77.8%	74.2%	Not Available	80.1%
ADP Lunch	577	621	621	610	587	609	599	582	589	567	Not Available	578
Percentage of ADP Lunch Claimed	91.9%	97.5%	97.2%	96.5%	94.2%	96.4%	96.3%	95.7%	95.3%	91.3%	Not Available	95.2%

Table title: **Santa Maria ISD District Totals**

SOURCES: Santa Maria ISD PEIMS Coordinator, reimbursement claims, and daily record of meals served, October 2011.

- The district makes it very convenient to participate in the SBP by providing breakfast in the classroom.

Students' health and well-being benefit when they participate in the SBP and NSLP. The district operates quality programs; but could make some simple improvements to make it even better.

In contrast, barriers to 100 percent participation include:

- Variety in the menus is limited, and students interviewed indicated that they are bored with the offerings; customers want new menu items and choices.

- There is only one cashier so the lunch lines bottleneck at the cashier station. Students do not like standing in long lines, or waiting with their food in-hand to get to the cashier.

- The cafeteria offers no a la carte offerings other than second servings of components of the reimbursable meal.

- The district does not market the programs.

Options available to the district to increase participation are outlined in **Exhibit 11–9**, **Exhibit 11–11**, and **Exhibit 11–13** and are adapted from information contained in **Exhibit 11–8.** The monthly ADA represents the highest attendance on any given day during the month. The small number of non-participating elementary and middle school students are probably a product of serving days when the daily attendance was lower than the ADA stated in the chart, and not students who were in attendance and failed to select a lunch.

Due to the district practice of requiring all students to select a lunch, the elementary school cannot increase lunch participation; however, on an average daily basis, from 37 to 52 students at this school did not participate in the SBP during 2010–11. There is potential for serving up to an additional 7,732 breakfasts annually, at the Tony Gonzalez Elementary School. **Exhibit 11–10** shows the reimbursement value of an increase of 7,732 breakfasts.

Due to the district practice of requiring all students to select a lunch, the middle school cannot increase lunch participation; however, on an average daily basis, from 30 to 43 students at this school did not participate in the SBP during 2010–11. There is potential for serving up to an additional 6,451 middle school breakfasts annually. **Exhibit 11–12** shows the reimbursement value for the additional 6,451 breakfasts.

On an average daily basis, from 49 to 73 students at the Santa Maria High School did not participate in the SBP during 2010–11. There is potential to serve an additional 10,967 high school breakfasts annually. The requirement for all students to take a lunch is not enforced at the high school and on an average daily basis from two to 38 students did not participate in the NSLP. There is potential for serving an additional 2,871 high school lunches annually. **Exhibit**

EXHIBIT 11–9
POTENTIAL FOR INCREASED ELEMENTARY BREAKFAST PARTICIPATION
2010–11

Tony Gonzalez Elementary										
School Year	**2010–11**									
Month	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**Apr**	**May**
Serving Days In Month	**7**	**21**	**21**	**19**	**13**	**19**	**18**	**19**	**21**	**19**
ADA	304	303	303	295	287	295	293	287	290	293
ADP Breakfast	233	251	258	258	245	254	250	250	251	247
Non-Participating Students Daily	71	52	45	37	42	41	43	37	39	46
Non-Participating Students Monthly	497	1,092	945	703	546	779	774	703	819	874
ADP Lunch	259	297	297	289	285	294	294	286	289	293
Non-Participating Students Daily	45	6	6	6	2	1	-1	1	1	0
Non-Participating Students Monthly	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

SOURCE: Santa Maria ISD PEIMS Coordinator, reimbursement claims, and daily record of meals served, October 2011.

EXHIBIT 11–10
POTENTIAL FOR INCREASED ELEMENTARY BREAKFAST REIMBURSEMENT
2011–12

	TOTAL POTENTIAL INCREASED MEALS	5.4% FULL-PRICE	FULL-PRICE ESTIMATED REIMBURSEMENT VALUE	7.8 % REDUCED-PRICE	REDUCED-PRICE ESTIMATED REIMBURSEMENT VALUE	86.8% FREE	FREE ESTIMATED REIMBURSEMENT VALUE	TOTAL POTENTIAL REIMBURSEMENT INCREASE
Breakfast	7,732	418	$112.73	603	$904.64	6,711	$12,080.48	$13,097.85

SOURCE: Review team created using Exhibit 11–8 and percentages provided by TDA and USDA reimbursement rates for 2011–12.

EXHIBIT 11–11
POTENTIAL FOR INCREASED MIDDLE SCHOOL BREAKFAST PARTICIPATION
2010–11

Santa Maria Middle School										
School Year	**2010–11**									
Month	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**Apr**	**May**
Serving Days In Month	**7**	**21**	**21**	**19**	**13**	**19**	**18**	**19**	**21**	**19**
ADA	181	184	185	186	187	189	184	180	184	183
ADP Breakfast	138	154	151	156	151	146	141	144	150	142
Non-Participating Students Daily	43	30	34	30	36	43	43	36	34	41
Non-Participating Students Monthly	301	630	714	570	468	817	774	684	714	779
ADP Lunch	171	177	177	177	178	184	180	175	179	168
Non-Participating Students Daily	10	7	8	9	9	5	4	5	5	15
Non-Participating Students Monthly	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

SOURCES: Santa Maria ISD PEIMS Coordinator, reimbursement claims, and daily record of meals served, October 2011.

11–14 shows the reimbursement value of the additional 10,967 breakfasts and 2,871 lunches.

The district was unable to provide a copy of the district's Special Provision 2 monthly reimbursement percentages free, reduced-price, and full-price meals. According to the Santa Maria ISD business manager, the percentages are embedded in the software, and are unable to print. In lieu of the district's actual percentages of free, reduced-price, and full-priced meals by the month, an estimated percentage based on information provided by TDA was used in **Exhibit 11–10**, **Exhibit 11–12**, and **Exhibit 11–14** to project an estimated reimbursement value for meals served to currently non-

participating students for 2010–11. **Exhibit 11–15** is a summary of the above three exhibits.

Santa Maria ISD should evaluate options to improve service with the goals of increasing participation in the SBP and NSLP and making the school cafeteria a place where students, staff and community members want to eat.

The district should consider changes in menu, meal service, a la carte offerings, atmosphere, and community support to promote the programs. Investigate ways to open lanes on both sides of the cash register to hasten meal service. Waiting to pay discourages participation.

EXHIBIT 11–12
POTENTIAL FOR INCREASED MIDDLE SCHOOL BREAKFAST REIMBURSEMENT
2011–12

	TOTAL POTENTIAL INCREASED MEALS	5.6% FULL-PRICE	FULL-PRICE ESTIMATED REIMBURSEMENT VALUE	8.8% REDUCED-PRICE	REDUCED-PRICE ESTIMATED REIMBURSEMENT VALUE	85.6% FREE	FREE ESTIMATED REIMBURSEMENT VALUE	TOTAL POTENTIAL REIMBURSEMENT INCREASE
Breakfast	6,451	361	$97.54	568	$851.53	5,522.06	$9,939.70	$10,888.77

SOURCE: Review team created using Exhibit 11–8 and percentages provided by TDA and USDA reimbursement rates for 2011–12.

EXHIBIT 11–13
POTENTIAL FOR INCREASED HIGH SCHOOL BREAKFAST AND LUNCH PARTICIPATION
2010–11

Santa Maria High School										
School Year	**2010–11**									
Month	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**Apr**	**May**
ADA	143	150	151	151	149	148	145	141	144	145
ADP Breakfast	87	101	92	96	89	80	77	76	80	72
Non-Participating Students Daily	56	49	59	55	60	68	68	65	64	73
Non-Participating Students Monthly	392	1,029	1,239	1,045	780	1,292	1,224	1,235	1,344	1,387
ADP Lunch	147	148	147	144	124	131	125	120	121	107
Non-Participating Students Daily	-4	2	4	7	25	17	20	21	23	38
Non-Participating Students Monthly	NA	42	84	133	325	323	360	399	483	722

SOURCE: Santa Maria ISD PEIMS Coordinator, prepared October 7, 2011, Reimbursement Claims, and Daily Record of Meals Served.

EXHIBIT 11–14
POTENTIAL FOR INCREASED HIGH SCHOOL MEAL REIMBURSEMENT
2011–12

	TOTAL POTENTIAL INCREASED MEALS	FULL-PRICE 7.4% BREAKFAST 7.2% LUNCH	FULL-PRICE ESTIMATED REIMBURSE-MENT VALUE	REDUCED-PRICE 6.7% BREAKFAST 7.1% LUNCH	REDUCED-PRICE ESTIMATED REIMBURSE-MENT VALUE	FREE 85.9% BREAKFAST 85.7% LUNCH	FREE ESTIMATED REIMBURSE-MENT VALUE	TOTAL POTENTIAL REIMBURSE-MENT INCREASE
Breakfast	10,967	812	$219.12	735	$1,102.18	9,420	$16,957.18	$18,278.48
Lunch	2,871	207	$57.88	204	$487.18	2,460	$6,864.65	$7,409.71

SOURCE: Review team created using Exhibit 11–8 and percentages provided by TDA and USDA reimbursement rates for 2011–12.

EXHIBIT 11–15
POTENTIAL FOR INCREASED REIMBURSEMENT

	FULL-PRICE ESTIMATED REIMBURSEMENT VALUE	REDUCED-PRICE ESTIMATED REIMBURSEMENT VALUE	FREE ESTIMATED REIMBURSEMENT VALUE	TOTAL POTENTIAL REIMBURSEMENT INCREASE
Elementary Breakfast	$112.73	$904.64	$12,080.48	$13,097.85
Middle School Breakfast	97.54	851.53	9,939.70	10,888.77
High School Meals	277.00	1,589.36	23,821.83	25,688.19
TOTAL	**$487.27**	**$3,345.53**	**$45,842.01**	**$49,674.81**

SOURCE: Review team created using Exhibit 11–8 and percentages provided by TDA and USDA reimbursement rates for 2011–12.

Marketing the programs is necessary even in situations where the audience is captive. Contests with small prizes are popular for all age groups. Sometimes local businesses will donate products such as theater tickets, a pizza, a game of bowling, or a tee shirt for the advertising value. Special meals such as a birthday party once per month when everyone gets a piece of cake with the meal bring enthusiasm and excitement.

During the last CRE performed in the district, the reviewer noted that the district did not have a plan for student and parental involvement. Parents can take on the responsibility for planning events that will encourage participation. One such event occurred in a district where the students had done an extraordinary job of collecting "coats for kids," and the parents and school administration wanted to recognize them with a special party during lunch. The parents decorated the tables with flowers and cut outs of musical instruments and the administration brought a karaoke machine into the cafeteria, which had a stage. There was a musical show for each serving period including singing and dancing teachers and solos performed by each of the schools' principal and assistant principal. Community designed and implemented support to a school cafeteria promotes participation.

The dining room is well appointed and is an inviting atmosphere. There are school cafeterias that have television sets or jukeboxes to entertain the students during meal periods. Newman Middle School, in Cotulla ISD (Texas) has a system in the cafeteria where students and staff members post messages and pictures and show them during meal periods. Students enjoy seeing pictures of themselves and their classmates randomly taken throughout the school day.

The fiscal impact assumes any increase in student participation in the NSLP and SBP will result in an increase in food and non-food costs, with a possibility of increased labor costs. Using base percentages provided in **Exhibit 11–3** for

2010–11, the 43.8 percent food cost ($21,757.57) and 4.3 percent non-food cost ($2,136.02) deducted from the $49,674.81 potential increased reimbursement leaves $25,781.23. Prior to making any decisions regarding increased labor hours the district should consider developing a staffing formula specific to the work performed in the Santa Maria ISD kitchen, and work schedules.

MENU VARIETY AND CHOICES (REC. 59)

The district lacks variety in their menus and an a la carte program.

The former food service director wrote the menus for the previous school year, and those menus continue in the 2011–12 school year; the new food service director has not yet undertaken this important duty. **Exhibit 11–16** is a frequency chart for Santa Maria ISD October 2011 menus. This tool allows the menu planner to identify over or under use of particular menu items, and the positioning of similar menu items. Plotting ADP on this chart can help identify foods to rotate or eliminate.

According to kitchen staff, students return pancakes and French toast to the kitchen in the greatest amounts, second only to ham and cheese croissants, yet French toast is on the October 2011 menu three times.

The October menu features 15 different entrees, repeating pizza, chicken tacos, hamburger, country steak, and ham and cheese sandwich. Of the repeated menus, chicken tacos and hamburgers were observed as part of this review. When the menu is a two- or three-week cycle and offers no choice of entree, districts usually repeat only the most popular items to encourage participation and consumption.

School pizza is a favorite, especially among elementary school children, but when students reach middle and high schools,

EXHIBIT 11–16
MENU FREQUENCY CHART
OCTOBER 2011

BREAKFAST

Menu Item	3	4	5	6	7	11	12	13	14	17	18	19	20	21	24	25	26	27	28	31
Cereal/ Graham Crax	x									x					x					x
Combo Bar/ Wheat Bread		x									x					x				
Sausage Biscuit			x									x					x			
P&J Sandwich				x									x					x		
French Toast					x									x					x	
Ham &Cheese Croissant						x														
Mini Loaf/ Yogurt							x													
Sausage Roll								x												
Pancakes									x											

LUNCH

Menu Item	3	4	5	6	7	11	12	13	14	17	18	19	20	21	24	25	26	27	28	31
Italian																				
Pizza	x														x					
Spaghetti										x										
Lasagna																				x
MEXICAN																				
Chicken Tacos				x														x		
Cheese Enchiladas													x							
Carne Guisada								x												
SANDWICH																				
Chicken Burger												x								
Ham and Cheese					x														x	
Hamburger			x														x			
BBQ on Bun							x													
Hot Dog									x											
HOME-STYLE																				
Steak		x														x				
Steak Fingers											x									
Nuggets														x						
Baked Chicken						x														

EXHIBIT 11–16 (CONTINUED)
MENU FREQUENCY CHART
OCTOBER 2011

VEG/FRUIT	3	4	5	6	7	11	12	13	14	17	18	19	20	21	24	25	26	27	28	31
FRESH																				
Garden Salad	X														X		X			X
Lettuce/ Tomato/w/wo Pickle			X	X	X		X	X		X		X	X					X	X	
Fresh Fruit	X									X				X	X				X	X
Fresh Vegetable Sticks									X											
Potatoes																				
Baked Potato														X						
Mashed Potatoes		X				X					X					X				
Oven Fries							X													
Tator Tots			X									X				X				
Frozen/ Canned																				
Broccoli	X													X						
Green Beans		X				X					X					X				
Peas/Carrots														X						X
Pinto Beans								X	X			X						X		
Mixed Vegetables									X											
Applesauce				X				X				X						X		
Mixed Fruit Cup			X				X					X				X				
Sliced Peaches		X				X					X					X				

SOURCE: Created by review team using Santa Maria ISD October 2011 menus.

they think of pizza as being a cut from a round pie, and the frozen square school pizza as second best. During interviews with students, the most requested additions to the menu were "real pizza" and hot wings. Students also asked for crispy tacos, burritos, taco salad, nachos, Frito pie, turkey potpie, and a variety of salads be added to the lunch menu.

The average cost of a 4 x 6 piece of pizza on the South Texas Bid Award is $0.47; as compared to the price of $0.78 for an average portion of a round pie pizza from the same bid. There are pizza kits that contain pre-made crust round, pre-measured sauce, and pre-weighed cheese and topping; the kitchen staff must assemble and bake. The possibility of using such a product was not popular with the food service staff; however, if it increased participation in the NSLP or a la carte sales, it might be possible to increase labor hours in the kitchen. The cost of this product was $0.73 per slice.

Hot wings are not a practical idea for school kitchens unless they are frozen prepared; however, "hot and spicy" chicken nuggets or tenders, and patties are available on the South Texas Bid Award. When serving a hot and spicy product it is good to offer the standard product or a choice of another menu item as well, in that hot and spicy may not be suitable for all children.

Researching other district school menus are a good source of new menu ideas. Some menu items found on other Rio Grande Valley school menus include submarine (cold cuts and meatball) sandwiches, nachos, burritos, meatballs and gravy over rice, chicken potpie, chicken noodle casserole with Alfredo sauce, assorted Chinese stir fries and rice bowls, pasta bowls with meat sauce or cheese sauce, fish square, chicken wraps, calzones, and quesadillas. When using a cycle menu it is possible to rotate entrees in and out of the menu

to add variety while maintaining all the benefits of the cycle style. Simple changes like spaghetti to elbow macaroni; or ham and cheese sub to tuna sub gives the menu the appearance of more variety while requiring few changes in the standard food production record and work schedules.

The following suggestions may add variety to the district's menu selections:

- Students and staff members alike appreciate a cold plate as an alternate entrée. The district currently offers a very attractive chef's salad at the middle and high school levels; consider extending this choice to the elementary school. Cold salad plates are much more interesting when they vary in content. A popular salad served in some schools uses raw spinach as the base, mandarin oranges and hard cooked egg. Tuna, egg, and chicken salads, cottage cheese, hummus, bean dip, and yogurt and nuts are the foundation of imaginative cold plates that hold the interest of customers. Simply changing the mix of greens and dressings provide variety.

- Some districts offer a popular entrée choice against the regular entrée every day. This ensures that even when a child does not like what is on the menu, he knows that there will be a satisfactory alternative. Cycle alternates on a weekly basis, in that they are the most popular items.

Another easy way to expand variety is to diverge from traditional vegetable and fruit offerings. The district offers a lettuce and tomato salad almost every day, to the exclusion of all other salads. Salads bring interest to meals through color, flavor and texture; a variety of offerings each day increases the chance of a student selecting a salad and consuming it. Fruit or fruit juice and gelatin salads are colorful and easy to prepare. Broccoli or cabbage slaw, and raw broccoli and cauliflower florets with dipping sauce are rich in Vitamin C; raw spinach salad with orange sections as a garnish, and cucumber wedges or jicama sticks with chili and lime are student favorites in some districts,. Fresh salsa brings flavor as well as nutrients to tacos, and other Mexican entrees; add a thin slice of avocado if possible to create interest.

During October, the menu contains fresh fruit and three varieties of canned fruit. Additional fruit offerings might include pineapple tidbits, pears, apricots, purple plums, hot or cold-spiced apple slices, fresh sliced bananas in orange juice, prunes and raisins, and melons in season. Although blackberries, raspberries, blueberries, kiwi, and sliced strawberries may be too expensive to serve to each child, used as a garnish on other fruits they add color, flavor, and exposure. Adding some apple chunks, banana slices, orange sections and other fruits to canned fruit cocktail makes it more interesting. A simple but dramatic and much appreciated change would be to offer at least five different fruits each day. This practice incurs no additional labor or food cost. Instead of opening five cans of peaches, open five cans of assorted fruits and serve into portion cups with a variety placed on the cafeteria display tray.

Although the menus include a larger variety of vegetable than fruits, the offerings are still limited. Corn is popular with students. In that it is a starchy vegetable, add it by replacing a serving of potato. Although many vegetables are not always popular with students, including these offerings as a choice throughout the year exposes students to vegetables they may not be eating at home. Minimize the waste of offering an unpopular vegetable by cooking just a small amount. Dry beans are high in fiber and popular in south Texas, and offering additional servings during the week as a choice or a bonus vegetable for those who might want more to eat is another method. The plate waste at the high school was minimal with the exception of the whole wheat bread products and the tortilla. The greater the variety of healthy foods students have to choose from, the more healthy foods they consume.

Prior to making any decisions such as including the round pie pizza on the menu (beginning with the middle and high schools), pre-cost the menu to ensure that it is affordable. Counter-balance the cost of an expensive entrée with the use of commodity fruits and vegetables, if available. Also, select a round pie pizza that contributes 1/8 – 1/4 cup vegetable/ fruit component. When offered with all other required components if the pizza slice is the only item selected, it still qualifies as a reimbursable meal if the meat/meat alternate, grains/breads, and vegetable/fruit components are documented on the food production record.

The district should add variety to their menus and an a la carte program. With proper planning, pre-costing, and control over food production, as well as monitoring waste and salvaging leftover foods, storing and reheating them safely, and integrating them into future menus, recommendations in this finding should not increase the food cost of the reimbursable meal.

Survey the students and staff members for suggestions for menu improvement. Gather menu ideas from the menus of

neighboring districts and the South Texas Cooperative Bid Award. Include more variety in all components of the meal and offer daily choices of entrees, vegetables, and fruits; include a variety of cold plates, one per day as a choice against the regular menu.

The district sells no extra foods outside those offered as components of the reimbursable meal. Sale of a la carte foods is a source of extra program income; but at Santa Maria ISD, it may serve another purpose. Alternate beverages and foods may provide added service to both students and staff. Although many schools sell bottled and canned beverages including water, an inexpensive beverage is iced tea. The district could sell ice cups and allow customers to pour their own tea from dispensers in the cafeteria past the cashier, as many commercial fast food restaurants do. If the district accepts this suggestion, they must pay careful attention to sugar restrictions as set by the Texas Public School Nutrition Policy. Although milk is a nutritious beverage, which hopefully most children will continue to select and drink, an alternate beverage for those who want to buy it may make the meals more appetizing, especially to older children and adults.

If the district adds a la carte food offerings to the menu, they should ensure that these foods do not take the place of reimbursable meals. Any entrees added to the menu such as pizza by the slice should be included as a choice in the unit priced (reimbursable) meal as well as offered for sale at a set price. A la carte foods should never compete with the reimbursable meal; instead offered only to enhance the unit priced meal.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation. If the district were to include ice tea (adults) on their a la carte menu, the district has the potential to increase their revenue by $13,500 annually ($.75 per item x 100 cups sold per day= $75 x 180 days= $13,500).

FOOD PRODUCTION DOCUMENTATION (REC. 60)

The food service department lacks a standardized management system for kitchen operations including no standardized recipes and food production records for 2011–12.

Food production records and standardized recipes are the basis for documenting that the meals served and claimed met meal pattern requirements during a CRE; and met nutrient

standards during the School Meals Initiative review. These tools are not currently used in the Santa Maria ISD kitchen.

- In 2009, the CRE review cited the district for incomplete food production records. During the school review visit in October 2011, the district lacked complete and accurate food production records for 2011–12. Each food production employee has maintained a notebook, recording food production information, temperature readings, and quantities of prepared and leftover foods for the menu items individually prepared. There is no standardized format for recording this information and the notebooks vary in their degree of completeness and accuracy. It would be impossible to reconstruct the required food production records using the information from this source.

- No standardized recipes are used. Although there is a Regional Education Service Center I (Region 1) recipe book located in the office, each individual cook uses her own "mental recipe" in the preparation of foods. Customers expect consistent appearance and flavor in the menu items they repeatedly select; this is only possible when standardized recipes are used. Most importantly, contribution to the meal pattern and nutrient content of these foods is neither documented nor identifiable.

The district cannot leave to chance the production, service, and documentation of the content of the meals claimed for reimbursement. A standardized management system is the integration of various well-developed kitchen tools into a smooth flowing menu-specific routine that directs the activities of kitchen employees. The results of its use are predictable quality, cost, compliance with regulations, and participant acceptance. Development is time consuming and the system is never static due to fluctuations in factors such as available commodity foods, student preferences, and seasonal offerings.

The food service director was beginning the process of recording food production information during the course of the review. During 2010–11, the previous food service director maintained food production records.

Industry best practices dictate that the food service director plans all aspects of food production and service, and commits the plan to writing. Once a well-developed plan is established, cycling it allows for refinement and reduces the chance of error.

The food service department should develop and employ a standardized management system based on a cycle menu, including standardized recipes for every preparation, and complete and accurate food production records. The food service director should also review all cafeteria practices to ensure that processes in use are compliant with current regulations.

If the district does not standardize kitchen procedures, it will not be possible to successfully conduct a CRE or School Meals Initiative (SMI) review of the meals. Under these conditions, the district is at risk of TDA reclaiming reimbursement.

According to the TDA, if the district does not have sufficient menu records to document the content of the meals claimed and served, the district will lose the entire reimbursement for the period for which there are no records. The agency representative further stated that TDA does not allow districts to construct or recreate food production records after the fact. The August 2011 claim for reimbursement was $17,235.97; and although not yet submitted during the review period the September 2011 claim can be estimated. The August claim represents approximately $2,154.50 per day in reimbursement; multiplied by 21 serving days in September the claim will be approximately $45,244.42; equaling approximately $62,480.39 total reimbursement funds at risk for the lack of food production records for these two months.

This recommendation can be implemented using existing resources.

STAFFING AND PRODUCTIVITY (REC. 61)

The food service department has not developed, nor does it use a district staffing formula; and does not use written daily and menu-specific work schedules to direct food production, service, and clean-up.

During the focus group, staff members indicated that the kitchen is understaffed. This opinion may be a product of the lack of planned work activities, and scheduled hours rather than the number of available labor hours. The kitchen is neither overstaffed nor understaffed. Although the district provides a one-page directive that each employee rotates their work activities on a weekly basis, it does not clearly define duties and tasks. While it is common for school kitchens to operate without work schedules, the use of this important tool is necessary to maintain an even distribution and flow of work performed.

Six eight-hour employees staff the kitchen. Additionally, one eight-hour CNP aide cashiers, maintains reimbursement claim records, and performs other duties as needed. A 19-hour per week employee (funded by a USDA grant) prepares fresh fruits and vegetables for students to eat as a snack in the classroom four days per week, and helps in the kitchen as time permits. The newly hired food service director currently has no assigned kitchen duties.

The common measure for productivity in school kitchens is meals per labor hour (MPLH), the "meal" being one reimbursable lunch. To determine MPLH, an individual must convert all other sources of revenue such as reimbursable breakfasts, snacks, and a la carte and catering sales to meal equivalents (ME). Food service directors and school business managers use MEs as the unit measure for kitchen productivity when evaluating efficiency and formulating staffing patterns for budgeting. MEs are determined from meal count categories and other sources of revenue using the following factors, rounded to the nearest whole number.

- Lunch: 1 lunch = 1 lunch

- Breakfast: 3 breakfasts = 2 lunches (factor –0.66)

- Snack: 3 snacks = 1 lunch (factor –0.33)

- Non-reimbursable food sales (a la carte and catering): Dollar amount divided by free reimbursement ($2.79) + commodity value ($0.2225) = $3.0125

Exhibit 11–17 shows the calculation to determine the number of MPLH the kitchen is producing. After determining the number of MEs a kitchen is producing, one can then perform the MPLH calculations by dividing the number of daily MEs by the number of paid labor hours. Prior to using the MPLH guidelines, it must be determined whether a conventional or a convenience system of food production is used. The determining factor is whether the majority of the menu items are kitchen-prepared "from scratch", or are purchased-prepared.

An analysis of the October 2011 menus indicates that although many purchased-prepared foods are used, staff also cook from scratch. Lettuce based salads are served almost daily, and the vegetables are cut by hand. The menus are neither strictly conventional nor strictly convenience. This information is important when using the Sample Staffing Guidelines that follow in **Exhibit 11–18**. The cafeteria also offers entrée salads as a choice for the middle and high school students. Although not cooked, these entrees take time to prepare and assemble.

EXHIBIT 11–17
MEAL EQUIVALENTS (ME) AND MEALS PER LABOR HOUR (MPLH)
OCTOBER 2011

SANTA MARIA ISD Cafeteria Meal equivalents (ME)							
MEAL TYPE	**NUMBER SERVED**	**EQUIVALENTS**	**FACTORS**	**ME**	**÷**	**LABOR HOURS**	**MPLH**
Breakfasts	457	3=2	0.66	302			
Lunches	577	1=1	1	577			
Snacks	37	3=1	0.33	12			
A la Carte	$40.00	$3.0125=1	Total ÷ $3.0125	13			
TOTAL DAILY MEAL EQUIVALENTS				*904*	*÷*	*56**	*16.14*
				904	*÷*	*48***	*18.83*

*56 labor hours represents six eight-hour production employees and one eight-hour cafeteria aide. The cafeteria aide is not a food production employee; however, completes many duties that a kitchen manager would perform. The additional hours provided by the Fresh Fruit and Vegetable Program employee are not included; nor are the hours of the food service director. Neither of these two employees has routinely assigned duties that contribute to the production and service of breakfast, lunch, and snacks.
**The 48 labor hours represent only the six eight-hour production employees.
SOURCES: Santa Maria ISD record of meals claimed, August 2010; child nutrition department, October 2011.

Exhibit 11–18 shows sample staffing guidelines based on MPLH. When evaluating these guidelines against the kitchen productivity it is important to keep in mind that these are only guidelines. The food service director should study the activities of food service employees throughout the day, tracking duties and tasks performed according to the specific menu items being prepared.

The sample staffing guidelines represented in **Exhibit 11–18** suggest fewer staff hours than currently scheduled in the kitchen; however, the 16–18 MPLH produced by the district staff is certainly respectable and should not be reduced.

Special conditions specific to the kitchen that lower the MPLH produced include, but are not limited to:

- Production staff must wrap and pack breakfasts each morning and deliver them to the classrooms in each of three schools; this is time consuming.

- Once breakfast is over, the coolers must be collected from the school hallways, returned to the kitchen, unloaded, and cleaned.

- Production staff members do still prepare a significant number of menu items from scratch. Kitchen-prepared menu offerings are encouraged when time permits, in that the district can better control the fat, sugar, and sodium levels in the item. Scratch cooking generally lowers food costs by providing an outlet for raw USDA and purchased foods while eliminating any processing fee to a manufacturer; however, they do require more labor hours for preparation.

- By cutting their own vegetables for individual lettuce and tomato and entrée salads, the district may be providing a fresher tasting and less expensive product than if value-added produce were purchased. Preparing fresh vegetables and assembling salads is time consuming.

- Food service employees are responsible for cleaning the dining room as well as the kitchen.

EXHIBIT 11–18
SAMPLE STAFFING GUIDELINES FOR THE CNP

SAMPLE STAFFING GUIDELINES FOR ON-SITE FOOD PRODUCTION				
	CONVENTIONAL SYSTEM		CONVENIENCE SYSTEM	
MEAL EQUIVALENTS	MPLH	TOTAL HOURS	MPLH	TOTAL HOURS
10–100	8	9–12	16	6
101–150	9	12–16	16	6-9
151–200	10–11	16–17	16	9–12
201–250	12	17–20	17	12–14
251–300	13	20–22	18	14–16
301–400	14	22–29	18	17–21
401–500	14	35–40	19	21–25
501–600	15	40–43	20	26–30
601–700	16	40–43	20–21	31–35
701–800	17	43–47	20–21	36–40
801–900	18	47–48	21–22	40–42
901–1000	19–21	49+	21–22	43+

SOURCES: Adapted from Financial Management Instructor Guide (2005) Ch 5, p 5-56 NFSMI, the University of Mississippi, and Staffing Guidelines, Iowa Department of Education, Retrieved October 18, 2011.

Santa Maria ISD should develop staffing formulas and daily menu-specific work schedules to direct food production and service. Prior to their development, the food service director should consider how to best utilize assigned hours. It is possible to eliminate the sometimes rushed and chaotic atmosphere in kitchens through organization and planning. Consider the following:

- Many districts with only one kitchen have a working kitchen manager instead of a CNP aide and a food service director. Tasks such as receiving and putting away delivered groceries; acting as a second cashier on the lunch line, pulling needed recipes daily, and maintaining the required food production and HACCP temperature records would support the production staff.

- Few school kitchens have all eight-hour employees. Schedule the greatest number of hours during meal service. As the staff reduces through attrition, consider hiring two or three part-time employees instead of one full-time employee.

- All food production employees work from 5:30 AM until 2:00 PM with a half hour for lunch. Consider whether all employees need to begin the day at this hour, or if staggering the beginning and ending hours might better serve the operation.

- Planned pre-preparation such as panning frozen prepared breakfast items in the afternoon will ease the workflow with fewer staff needed in the morning.

- Student labor is advantageous in that students can generally only work for short periods. This allows the food service director to add an hour at a time to meet a specific need, such as serving during the meal period to free the server to batch cook. Some districts are able to integrate such work experiences into a vocational program.

- Written direction such as recipes, food production records, and work schedules eliminate decision making for the employee. Making decisions takes time and risks error. The practice of planning work eliminates performing unnecessary duties and tasks; equalizes work throughout the day and among employees; and there are fewer crisis periods.

- Planning cleaning activities and pre-preparation for future production during under-utilized times throughout the day and on "easy" preparation days eases workflow.

Exhibit 11–19 provides a suggested process for creating work schedules. Initially this is a large undertaking; however, once completed and refined, they will improve operations and make the best use of available labor hours. This process

EXHIBIT 11–19
CREATING WORK SCHEDULES

Daily Duties and Tasks	• Identify duties and tasks done daily with no consideration to the menu.
	• Using a form with fifteen minute intervals of time, assign each duty and task to a work schedule, evenly distribute the workload.
	• Identify a beginning and ending time, paying careful attention to the time the duty or task must be completed
Menu-Specific Duties and Tasks	• Identify menu-specific duties and tasks.
	• Group like tasks i.e. chopping onions over a period of days; when possible, combine like tasks and assign them to one work schedule.
	• All tasks required for one preparation need not be assigned to the same work schedule; for example, measuring for a recipe could be assigned to one while preparing the product is assigned to another.
Other Duties and Tasks	• Identify duties and tasks that are performed weekly and monthly, i.e. cleaning ovens, walk-in refrigerators and freezers.
	• Distribute cleaning assignments to all work schedules.
	• Assign some duties such as pot and pan washing and panning product when there are periods of time that the employee is idle. Tasks such as these can be assigned to various employees throughout the day.

SOURCE: Created by review team, 2011.

will also give the director insight into how to change scheduling as employees are replaced due to retirement and resignations.

Additionally, the director should conduct a meeting for staff to review the documents and provide input prior to implementation. As the work schedules are tested, staff should be encouraged to note suggestions for change. Once tested and revised as appropriate, the work schedules can be cycled with the menu, and need only be adjusted when the menu changes.

If the district fails to provide written direction for food production and service, employees will continue to feel overworked and discontent.

This recommendation can be implemented with existing resources.

FOOD WASTE (REC. 62)

There is an excessive amount of food waste in the operation of the School Breakfast Program, from preschool student lunches, and from select bread items.

Students at all grade levels discarded portions of whole-wheat hamburger buns, dinner rolls, and tortillas. The bun may have been responsible for the unexpected number of whole sandwiches that students discarded.

There are three conditions contributing adversely to the cost of food associated with breakfast in the classroom; the first is the food discarded when returned to the kitchen. Commercial products purchased in individual wrappers are returned to inventory for reuse, if unopened. Employees destroy other menu items that have been heated and individually wrapped, when returned to the kitchen. **Exhibit 11–20** demonstrates the projected annual cost of foods returned to the kitchen from the classrooms based on the menu for October 2011 and typical quantities returned as provided by the kitchen staff members.

The other two ways that the SBP is losing money on food unnecessarily are:

• Students appear to be able to take multiple servings of foods instead of restricting selections to one serving of each of the offered components.

• Several classroom teachers indicated that they never send any leftover foods back to the kitchen, but instead leave them in the room and the students may take what they want.

While neither of the practices described above violates program regulations and the district may decide what to do with leftover food, the point is to draw attention to the lack of food service control over the district's food costs at breakfast. These practices contribute to the cost of breakfast in two ways: some of the commercially wrapped products, if returned to the kitchen could be preserved and used again; and future food production is based on prior usage so the quantity of food needed by each room is currently inflated and could be reduced.

EXHIBIT 11–20
PROJECTED COST ESTIMATE OF RETURNED BREAKFAST FOODS
OCTOBER 2011

MENU ITEM	SERVING DAYS DURING OCTOBER	NUMBER OF SERVINGS RETURNED	COST PER SERVING	COST PER FOUR WEEK MENU CYCLE	ANNUAL COST (9 X CYCLE)
Ham and Cheese Croissants	2	80	$0.48	$76.80	$691.20
Sausage and Biscuits	3	34	0.47	47.94	431.46
Pancake (2)	1	123	0.17	20.91	188.19
Sausage Rolls	1	38	0.62	23.56	212.04
Combo Bars	3	31	0.42	39.06	351.54
French Toast	3	53	0.32	50.88	457.92
TOTAL ANNUAL COST					**$2,332.35**

Source: Santa Maria ISD Child Nutrition Department, October 2011.

If the district determines that a policy is necessary to require return of all leftover foods to the kitchen; and not to allow students to select more than the four-component breakfast, the district should consider providing an alternate breakfast of cereal and graham crackers daily. Generally, this choice is popular with students and there is no waste with either of these items since they can be returned to inventory if not chosen.

While **Exhibit 11–20** gives an estimate of total annual cost to the district on breakfast plate waste, no information is formally available as to what the above-described practices are costing the district annually. The district should study current breakfast practices and the resulting costs to the program; using this information, the district can determine the appropriate course of action.

At lunch, on each of the days observed, preschool children consumed very little of the foods they were served. Some potential contributing factors include:

- Lunch begins at 10:30 AM, students may still be full from breakfast;

- The portions of fruits and vegetables total ¾ cup on most days, the requirement for this age group is ½ cup total; also, the meat/meat alternate components routinely exceeds the requirement by ½ oz of meat;

- Trays for preschool students are pre-plated and placed on the dining room table prior to the students' arrival, hot foods cool rapidly making them less appetizing; and

- The meal included two "other" foods (foods not contributing to the reimbursable meal), baked potato

chips and cookies were served on October 7; students ate most of these two offerings, leaving the rest of the lunch untouched.

Although children of this age commonly discard parts of their lunch, the majority of students discarded almost all of the foods served to them each day. Some possible solutions to consider include:

- Evaluating whether 10:30 AM may be too early to serve lunch; if it were possible to wait until 11:00 AM students might be more interested in eating;

- Reducing the portion sizes whenever possible will not only save money, but may make the food more appetizing to the children; some children may be overwhelmed by too much food on their plates; the hamburger in particular was too large a portion for this age group including a 2.5 ounce beef patty on a regular sized sandwich roll;

- Determining if there is a possibility of allowing these students to go through the serving line and pick up their trays at point of service; if necessary, milk could be placed on the table to eliminate the difficulty of holding the tray and picking up the milk; and

- Limiting "other" foods to one per meal; also, a few chips on the plate might bring interest to the rest of the food, rather than providing a full bag.

Hamburgers are an example of many foods that are difficult to serve in smaller portions. Adding a second source of protein is a possible solution, which also increases the variety of foods provided to the student. By adding a one-ounce slice of cheese, and cutting the sandwich in half, the portion is

more in line with the needs of this age group. This option also reduces the offered grains/breads component by one serving; the district must ensure that the weekly-required eight grains/breads servings remain intact.

A simple portion reduction is in the vegetables/fruits component. The savings associated with adjusting the portion sizes is negligible, approximately $400 per year; however, encourages students to eat healthy foods served.

The district serves a whole-wheat sandwich roll and dinner roll that many students discard. The sandwich roll may be contributing to students in all grade levels not eating hamburgers, normally a popular entrée with students. Students, when asked why they did not even taste their hamburger, universally responded that they did not like the bun. Santa Maria ISD is commended for trying to incorporate more whole grains into their menus; however, when the use of these products discourages consumption of other components of the meal, the decision is worthy of review.

USDA has most recently emphasized the use of whole grains in the NSLP and SBP; requirements for whole grains are currently in proposed regulations. The Dietary Guidelines recommend that all age groups consume at least half their grains as whole grains. In light of concerns such as whole grain product availability, product labeling, and student acceptability, USDA recommends a staged approach to align school meals with the Dietary Guidelines. The proposed rule currently recommends:

- Upon implementation of the final rule, half of the grains offered during the school week must be whole grain-rich.

- Two years post-implementation of the final rule, all grains offered during the school week must be whole grain rich.

It is expected that the availability of whole grain-rich products will increase over time nationwide. At the Federal level, USDA commodity foods will continue to expand the list of whole grain products available to schools. USDA foods now include brown rice, and whole grain tortillas, pancakes, and pasta. In addition, USDA will issue an updated Grains/Breads Instruction and develop practical guidance to help schools incorporate more whole grain-rich products into school menus.

Review the decision to use only whole grain sandwich buns and consider if the waste is overriding the health benefits of

this product. Identify other less obvious additions of whole grain products to the menus.

The district should conduct studies of food waste as a result of procedures used in the operation of the breakfast in the classroom program; and monitor plate waste in the cafeteria to determine foods that may need to be eliminated from the menu or served in a reduced portion size. Best practices require that the food discarded by students be routinely monitored and adjustments in menu items, products purchased, and portion sizes be made as necessary to ensure that the food that is purchased by the district, and carefully prepared and served by staff does in fact contribute to the well being of students.

As previously shown, **Exhibit 11–20** projects an annual savings of $2,332, if the district could eliminate the waste due to returned foods from breakfast in the classroom foods.

ANNUAL TRAINING AND CERTIFICATION (REC. 63)

The district lacks an annual training plan for food service employees; membership in the School Nutrition Association (SNA); and employees do not participate in the SNA certification program.

The district has no formal plan for professional growth for food service employees, through training and certification. In past years in-service presentations on choking and lifting have been held; and each year employees are given the opportunity to attend the annual summer workshops hosted by the Regional Education Service Center I, in cooperation with the TDA.

Although they are not SNA members, three kitchen employees attended the 2011 SNA annual conference. Participants recognized the value of the offered training activities and interaction with CNP employees from other districts. As a result, the kitchen staff is considering the establishment of a local chapter of SNA to expand their own training opportunities and promote professional growth for the members.

SNA develops and encourages the highest standards in school nutrition programs and provides educational opportunities to ensure the professional development of its members. SNA's Certification Program is based on the standards of practice and indicators in the Keys to Excellence in School Food and Nutrition Programs that define nationally accepted standards for quality programs.

Food service employees becoming SNA certified adds credibility to their positions and to the district's feeding programs. It increases employee knowledge and skills in food safety and nutrition to support a healthy school environment. SNA supports members in staying current on issues concerning school nutrition initiatives; and provides a career ladder allowing members to advance in the field from assistant, to cook, to manager, to director.

Certification also enhances the employees' professional image with students, school administration and staff, and the community.

Some school districts, recognizing the value of the certification program with regard to promoting a higher level of employee performance provide increases in wages, or stipends based on the successful completion of certification levels. Galena Park ISD (GPISD) is one such district.

The CNP department of GPISD has developed detailed job descriptions for each step of their career ladder. Potential employees must meet specific qualifications for any particular position prior to being hired. Once employed, the department requires the staff member to complete level one certification. According to the food service director, approximately 80 percent of GPISD food service employees have completed certification on at least the first level. The incentive for an employee to continue the certification program beyond the level required for their position is an increase of $0.30 per hour, per level for wage earners; and with a $450 stipend for salaried employees. **Exhibit 11–21** shows the GPISD Incentive Plan.

The district should develop an annual training plan for food service employees, incorporating training opportunities and materials provided by SNA, as well as in-service and annual ESC summer workshops. Encourage the formation of a local SNA chapter and employee participation in the SNA certification program.

This recommendation can be implemented using existing resources since staff pay for their own association dues and certification costs.

USDA FOODS (REC. 64)

The district lacks written procedures regarding the use of USDA foods.

The district lacks pertinent information regarding USDA foods, such as the USDA Planned Assistance Level (PAL) for 2011–12; lacks a list of foods the district requested and lacks information on whether the district elected to process commodities.

The district was unable to identify the PAL for 2011–12. The new food service director was unaware of where the USDA foods were stored, which foods have been requested, if any foods were sent for further processing, or from whom these foods should be ordered. He cited a situation when he

EXHIBIT 11–21
INCENTIVE PLAN FOR FOOD SERVICE CERTIFICATION
OCTOBER 2011

Galena Park Independent School District

SALARY INCENTIVES FOR STUDENT NUTRITION DEPARTMENT 2011-2012

VOLUNTARY EDUCATIONAL INCENTIVE PLAN FOR GPISD STUDENT NUTRITION EMPLOYEES:

A. Completion and *maintenance* **of Current Texas Association for School Nutrition Certification Levels above Level required by current Job Category.**

Managers - $ 450 yearly for each additional Level*

Hourly Employees - $.30 per hour for each additional Level*

(The pay listed at each level is the maximum pay incentive for each level of completion.)

All Managers must attend workshop classes of at least 12 hours at a Workshop sponsored by Texas Department of Agriculture or other class approved by the Director of Student Nutrition every two (2) years, minimum.

*To qualify for incentives, managers and hourly employees must meet all other qualifications and requirements of their job.

SOURCE: Galena Park ISD Food Service Director, October 12, 2011.

ordered product from the broad line distributor, only to have the same product additionally delivered in USDA foods.

The USDA foods rate for this school year is $0.225 per meal. This is a significant resource for supporting meals for students when managed carefully. The district may not be taking full advantage of the USDA foods made available.

The general ledger summaries used in **Exhibit 11–22** represents September 2008–09, August 2009–10 and 2010–11. The summary shows a value of $0 for 2010–11. According to the business manager, he does not post the value of USDA foods received throughout the year. The district depends on the TDA to provide them with this information at the end of the year.

Exhibit 11–22 demonstrates:

• District recordkeeping appears to be incomplete.

• District records for 2009–10 on commodities received does not agree with TDA commodity operations records.

• According to TDA commodity operations records, the district may not have used the entire PAL allocated during 2010–11.

The district should develop and have readily available for review, written procedures regarding the use of USDA food. The district should protect USDA food resources just as they do cash reimbursement. USDA provides these foods to enhance the meals served through the NSLP; failure to make best use of these foods, lessens the benefits that students receive. Accurately track the use of USDA foods throughout the year in an effort to secure the full value of the PAL plus any other available bonus foods.

The commodity operations division of the TDA states that, "Districts should develop written procedures that explain program participation. The procedures should inform a new director about the process for receiving USDA foods and provide TDA and ESC co-op contact information for the new director to obtain technical assistance, which will include steps for accessing the automated system (TCS or TXUNPS). Procedures should include the processing coordinator contact, (at the ESC) if the district processes USDA foods."

Maintain in a readily retrievable file all pertinent information pertaining to participation in the USDA foods program

This recommendation can be implemented using existing resources.

DELIVERY OF THE BREAKFAST CARTS TO THE MIDDLE SCHOOL (REC. 65)

The route delivery of the breakfast carts to Santa Maria Middle School is unnecessarily difficult and potentially dangerous.

The route taken by food service employees with large carts filled with coolers full of breakfast foods has potholes. Taking the carts over the potholes causes the lids of the coolers to fly off and the coolers to shift in position and become unstable and uncontrollable.

If the district does not take some action, shifting coolers may cause an employee to fall, or a cooler dropping from the cart could injure an employee.

Having a smooth surface such as a sidewalk or pothole free parking lot surface would make the performance of transporting breakfasts to the middle school not only easier and safer, but more importantly reducing the liability to the district.

Santa Maria ISD should investigate alternative routes for breakfast cart delivery, repair the potholes, or provide a sidewalk to ease the daily movement of these carts in a safe manner.

EXHIBIT 11–22
USDA FOOD PAL AND VALUE RECEIVED
2008–09 TO 2011–12

SCHOOL YEAR	SANTA MARIA ISD GENERAL LEDGER SUMMARY REALIZED REVENUE	TDA COMMODITY OPERATIONS REPORTED PAL	TDA COMMODITY OPERATIONS REPORTED RECEIVED
2008–09	$13,333.97	$21,911.17	$25,397.07
2009–10	$24,494.94	$20,356.93	$21,111.68
2010–11	$0	$26,648.94	$24,548.27
2011–12	NA	$26,273.16	$4,848.23 to date

SOURCES: Santa Maria ISD general ledger summaries for the 2008–09, 2009–10, and 2010–11 school years and information provided by the TDA Commodity Operations Division.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

FAILURE TO MAXIMIZE FUNDS (REC. 66)

The district failed to maximize the resources available to procure fresh fruits and vegetables through the USDA Fresh Fruits and Vegetables Program grant.

The general ledger account summary for the 2010–11 school year shows $20,000 as the estimated revenue for the USDA Fresh Fruit and Vegetable Program. The realized revenue is $5,599, leaving $14,401 unspent. This program provides fresh fruit and vegetables for afternoon snacks for students; the children have enjoyed this service as well as benefiting health wise.

The district should closely monitor the use of USDA Fresh Fruits and Vegetables Program grant funds and make purchases that maximize the benefits of these funds to children.

This recommendation can be implemented with existing resources.

SERVING STYLE ADJUSTMENTS (REC. 67)

The cafeteria's style of service contributes to temperatures lower than recommended, and use of unnecessary disposables.

The district has recently changed their serving style for hot sandwiches such as hamburgers. The previous practice used was to place a pan of hamburger patties and a pan of buns on the serving line and assemble them as the students arrived. Currently they are assembling the sandwiches in the kitchen and bringing a pan of sandwiches to the serving line. The temperature of the beef patties in the buns on the serving table registered 122° F; by the time the sandwich had reached the table, pre-set for preschoolers, the temperature was down to 114° F. Hot foods must be held at 140° F or above for the preservation of wholesomeness; however, maintaining hot foods at the proper temperature also makes the foods more appetizing. The temperature of the tator tots in individual serving bags registered at 122° F, again less than the required temperature.

The servers adopted this method of service to hasten the line in that currently there is only one server on each side of the serving area. The bottleneck in the line is at the cash register. The district should determine if the line slows by resuming the normal style of service.

In addition, food service employees pre-portion all foods other than the entrées and french fried potatoes into clear plastic tray inserts at a cost of $0.007 each. This method of serving hot vegetables causes them to lose temperature.

The district should re-evaluate methods of serving meals to maximize efficiency.

The district pre-portions all foods on the serving line with the exception of the entrée. Plastic tray inserts, at a cost of $0.007 per unit provide an inexpensive way to offer a variety of foods as choices within the meal pattern. The district may be overusing these disposables, particularly in the category of hot vegetables. If the district limited the use of tray inserts to less popular hot vegetables and placed the popular vegetable directly on the tray, cost savings would result.

During September 2011, the ADP was 578. If one vegetable were served directly onto the plate daily, the district would save ($0.007 per unit x 578 ADP= $4.05 x 180 days = $729) annually; but, more importantly, the hot vegetables will remain at the required temperature.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
54. Cease requiring every elementary and middle school student to select a reimbursable lunch.	$0	$0	$0	$0	$0	$0	$0
55. Develop standards for food, labor, and non-food expenditures as a percentage of revenue and monitor profit and loss against the established percentages monthly.	$0	$0	$0	$0	$0	$0	$0
56. Monitor breakfast in the classroom service routinely to ensure that teachers are conforming to the approved counting and claiming procedures; and that the only breakfasts claimed are reimbursable.	$0	$0	$0	$0	$0	$0	$0
57. Secure and use the current monthly school-specific attendance factors when performing the required Accuclaim edit checks prior to submitting the monthly reimbursement claim to TDA.	$0	$0	$0	$0	$0	$0	$0
58. Evaluate options to improve service with the goals of increasing participation in the SBP and NSLP and making the school cafeteria a place where students, staff and community members want to eat.	$25,781	$25,781	$25,781	$25,781	$25,781	$128,905	$0
59. Add variety to their menus and an a la carte program.	$0	$0	$0	$0	$0	$0	$0
60. Develop and employ a standardized management system based on a cycle menu, including standardized recipes for every preparation, and complete and accurate food production records.	$0	$0	$0	$0	$0	$0	$0
61. Develop staffing formulas and daily menu-specific work schedules to direct food production and service.	$0	$0	$0	$0	$0	$0	$0
62. Conduct studies of food waste as a result of procedures used in the operation of the breakfast in the classroom program; and monitor plate waste in the cafeteria to determine foods that may need to be eliminated from the menu or served in a reduced portion size.	$2,332	$2,332	$2,332	$2,332	$2,332	$11,660	$0

FISCAL IMPACT (CONTINUED)

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
63. Develop an annual training plan for food service employees, incorporating training opportunities and materials provided by SNA, as well as in-service and annual ESC summer workshops.	$0	$0	$0	$0	$0	$0	$0
64. Develop and have readily available for review, written procedures regarding the use of USDA food.	$0	$0	$0	$0	$0	$0	$0
65. Investigate alternative routes for breakfast cart delivery, repair the potholes, or provide a sidewalk to ease the daily movement of these carts in a safe manner.	$0	$0	$0	$0	$0	$0	$0
66. Closely monitor the use of USDA Fresh Fruits and Vegetables Program grant funds and make purchases that maximize the benefits of these funds to children.	$0	$0	$0	$0	$0	$0	$0
67. Re-evaluate methods of serving meals to maximize efficiency.	$729	$729	$729	$729	$729	$3,645	$0
TOTALS CHAPTER 11	**$28,842**	**$28,842**	**$28,842**	**$28,842**	**$28,842**	**$144,210**	**$0**

CHAPTER 12

SAFETY AND SECURITY

SANTA MARIA INDEPENDENT SCHOOL DISTRICT

CHAPTER 12. SAFETY AND SECURITY

The safety of students, school district personnel, facilities, and physical assets are essential in order to provide for secure learning environments. In 2004, Santa Maria Independent School District (Santa Maria ISD) created a police department. Prior to the appointment of the Police Chief in 2011-12, the department had been run by a teacher in the district who holds a peace officer license. The Police Chief's responsibilities include serving as the district truancy officer, as well as addressing the safety and security needs for students, staff, and all district facilities.

The district lacks essential plans and procedures required of Texas school districts and are in need of basic safety and security equipment.

FINDINGS

- Santa Maria ISD does not have a security committee or an approved emergency operation plan.

- The district has not resolved action items found during their safety and security audit.

- The district lacks appropriate equipment related to safety and security.

- There is a lack of perimeter fencing for the administrative building complex.

- The district lacks an automated process to call parents or staff should an emergency situation arise.

RECOMMENDATIONS

- **Recommendation 68: Establish both a security committee and an emergency operation plan outlining emergency procedures.**

- **Recommendation 69: Develop a strategy and timeline to resolve issues cited on their safety and security audit.**

- **Recommendation 70: Develop a safety equipment list by order of priority including a breakdown of costs, which may be presented to the board for approval.**

- **Recommendation 71: Create a request for proposals for the construction of a fence around the district's administration buildings and transportation yard.**

- **Recommendation 72: Incorporate automated phone calling to notify parents and staff of school closures or other essential situations.**

DETAILED FINDINGS

SECURITY COMMITTEE AND EMERGENCY OPERATION PLAN (REC. 68)

Santa Maria ISD does not have a security committee or an approved emergency operation plan.

The Texas Education Code (TEC) Section 37.109(a) states that in accordance with the guidelines established by the Texas School Safety Center, each school district shall establish a school safety and security committee.

Under the TEC Section 37.108(a) each school district shall, "adopt and implement a multihazard emergency operations plan for use in the district's facilities." A districtwide emergency operation document was drafted by the recently hired maintenance and transportation director in September, and prior to the school review team's onsite visit. While the plan is a good starting point, it was written without input from key stakeholders and appears to be a template of a document used by another school district, thus lacking specific details for Santa Maria ISD.

District facilities and buildings are easily accessible to visitors, whether anticipated or not. While the district office is open to the public, a receptionist works in an enclosed office facing the front door. The front door is the only door available for staff and visitors to access the building, which is where central office personnel for the district work. During the onsite week, the team was able to access each school using external doors in all cases but one. The elementary school's external door facing the high school parking lot was locked on each attempt during the onsite week. Further, the review team was able to walk through buildings, enter classrooms when only teachers were present, had assistance from staff to locate particular rooms without being asked the reason for being on campus. Visitor badges were provided at the elementary

school when the review team questioned office staff on their availability.

Other notable observations and examples found while reviewing safety operations in the district include:

- No emergency procedures are posted in classrooms or offices except for fire drill exit maps.

- Meetings are not scheduled with local jurisdictions to assist in case of emergencies as per the National Incident Management System (NIMS) standards.

- Fire and other evacuation drills are not conducted in the schools.

- Interior and exterior doors do not have adequate signage with room numbers.

The district is jeopardizing the safety and security of staff and students by not having emergency operation plans and procedures that are specific to Santa Maria ISD and available to all staff. In the event of an emergency, staff may be confused on appropriate actions to take and fail to act appropriately.

The district should establish both a security committee and an emergency operation plan outlining emergency procedures. The security committee should include the police chief, a district administrator, technology coordinator, and an administrator from each school to complete an emergency operation plan. The police chief should contact local emergency officials and invite them to the meetings related to coordinated response efforts as well as assistance on risk prevention.

This recommendation can be implemented using existing resources.

RESOLUTION OF SAFETY AND SECURITY AUDIT FINDINGS (REC. 69)

The district has not resolved action items found during their safety and security audit.

In compliance with TEC Section 37.108 (b) requiring a safety and security audit of district facilities at least once every three years, Santa Maria ISD conducted their audit in August 2011. The district enlisted assistance from Regional Education Center 1 (Region 1) to complete the audit. The audit findings listed information and observations that are inconsistent with those observed and documented by the performance review team. Some key areas of inconsistency include:

- The district has an established multi-hazard emergency operation plan and follows the Prevention/Mitigation, Preparedness, Response, and Recovery phases; however, none of the data in the plan is specific to Santa Maria ISD.

- During interviews with the school review team, documentation and information could not be provided as proof of evacuation drills and lockdown drills, yet the security audit states that these have been completed.

- If stopped when entering a school building, visitors may sign in, however, visitors are not required to show identification and do not need to wear visible visitor badges while on campus.

- No documentation related to meeting, memoranda of understanding or mutual aid among local agencies is available.

As a result of the safety and security audit, the district has 57 action items to address. Other than the emergency operation shell, no other documentation was available on the status of each of the action items addressed in the audit.

Santa Maria should develop a strategy and timeline to resolve issues cited on their safety and security audit. The Texas Unified School Safety Standards (TUSSS) provides a resource for districts to use when addressing the recommended safety and security standards and components created by the United States Department of Education. Standards are based on four components and TUSSS has created templates for districts to use. The four TUSSS components are:

- Mitigation/Prevention: addresses what schools and districts can do to reduce or eliminate risk to life and property;

- Preparedness: focuses on the process of planning for the worst-case scenario;

- Response: is devoted to the steps to take during a crisis or emergency; and

- Recovery: deals with how to restore the learning and teaching environment after an event

This resource also provides best practice ideas to help guide districts in creating planning documents based on specific district needs.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

SAFETY AND SECURITY EQUIPMENT (REC. 70)

The district lacks appropriate equipment related to safety and security.

Santa Maria ISD has a budget of $1,500 for safety equipment. The district has only a few cameras at the high school that can be used to capture movements of students, staff, and visitors. The exact number of cameras is not known and inventories are not available. The monitoring equipment for the high school cameras is located in a secured office area behind the reception desk of the high school; yet the video equipment was not on during the school review visit. The receptionist mentioned that only two staff members knew how to use it. The middle and elementary schools, along with the district office buildings, do not have security cameras.

Further, the district is lacking in other equipment routinely found in school districts:

- The public address system is unavailable for all classrooms in the elementary and middle schools.

- Working telephones or intercom system are unavailable in all classrooms for all three schools.

- Two-way radios are unavailable for the police chief, office administrators, bus drivers, or district administrators.

- Electronic notebooks are unavailable for the police chief and information is hand-written; then later entered into a computer.

- The fire alarm system is not working in the middle school.

- Fire extinguishers were housed in broken cases and one was covered by a plastic bag in the middle school.

- No automated external defibrillator (AED) is available on the middle school campus.

The district does not have a way to easily reach teachers, staff, or students if an emergency situation were to occur. Without having suitable and working equipment, the district is not able to adequately provide students, staff, and visitors with a secured learning and working environment, especially should a situation arise needing immediate attention. District personnel will continue to lose valuable time if phones lines are down to locate cellular phone numbers instead of using two-way radios or an intercom system for intra-school communication. Bus drivers are told by the maintenance and transportation director to not use cellular phones so contact with drivers is limited to extreme circumstances and only when the driver initiates the call after exiting the bus. This practice does not allow a driver to communicate to central office or schools if students are left behind at school. This incident was observed during the onsite visit. Further, the police chief is using valuable time to input data at his desk, while his time can be better used patrolling the campuses and responding to emergency situations.

Fire alarms are not working in the middle school and with fire extinguishers in disrepair, the safety of students and staff in this school is at risk should a fire start on campus.

These types of equipment are essential for school district personnel should an incident occur needing immediate attention. This scenario is especially true in the case of an AED, which is required to be available at each campus in the district in compliance with Section 38.017 of the TEC.

Santa Maria ISD should develop a safety equipment list by order of priority including a breakdown of costs, which may be presented to the board for approval.

A fiscal impact is not assumed in this recommendation. Once the district determines which actions to pursue, the costs or savings should be considered in the implementation.

FENCING (REC. 71)

There is a lack of perimeter fencing for the administrative building complex.

The district constructed perimeter fencing to enclose the three school campuses in 2010; however, adjacent property for the district office buildings and transportation yard were not included and consequently vandalism occurs in the transportation yard. The weekend before the onsite visit, one of the buses was broken into and a radio was stolen. Additionally, damage to seats and a safety crossbar have also occurred to buses while parked at the district administration complex.

The district needs to mitigate risks associated with break-ins and other damage to assets purchased with federal, state, or local funds. An effective and practical approach would be to enclose the district office complex with fencing. With the construction of fencing, locked gates, and other

security-related equipment, Santa Maria ISD would be providing better protection of assets.

Santa Maria ISD should create a request for proposals for the construction of a fence around the district's administration buildings and transportation yard. Using the cost of fencing the perimeter of the three adjacent campuses as a basis ($16 per linear foot for materials and labor), a conservative estimate for this project is a one-time cost of $50,000.

AUTOMATED PHONE SYSTEM (REC.72)

The district lacks an automated process to call parents or staff should an emergency situation arise.

Currently, the informal process is for district personnel to call parents when a situation arises. This approach is time-consuming given that the district's enrollment in 2009–10 was 666, thus may not provide timely notification to parents and other district personnel, especially if there is a school closing.

Automated calling, when used only for special purposes like weather or emergency closure, is a best practice used by many districts across the country.

Santa Maria ISD should plan to incorporate automated phone calling to notify parents and staff of school closures or other essential situations. The cost to incorporate a phone calling system is conservatively at 1 cent per phone number called. Therefore, when school closures exist, local radio and television stations should be notified, then an automated call should be sent to personnel and parents. The total cost is approximately $1,000 per situation and conservatively, this would be $5,000 per year for five instances; however, the cost to the district should be only $500 ($5,000 x 90%= $4,500) since this service should be included in eRate applications and Santa Maria ISD receives a 90 percent discount for telecommunication services.

FISCAL IMPACT

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

RECOMMENDATION	2012–13	2013–14	2014–15	2015–16	2016–17	5-YEAR (COSTS) OR SAVINGS	ONE-TIME (COSTS) OR SAVINGS
68. Establish both a security committee and an emergency operation plan outlining emergency procedures.	$0	$0	$0	$0	$0	$0	$0
69. Develop a strategy and timeline to resolve issues cited on their safety and security audit.	$0	$0	$0	$0	$0	$0	$0
70. Develop a safety equipment list by order of priority including a breakdown of costs, which may be presented to the board for approval.	$0	$0	$0	$0	$0	$0	$0
71. Create a request for proposals for the construction of a fence around the district's administration buildings and transportation yard.	$0	$0	$0	$0	$0	$0	($50,000)
72. Incorporate automated phone calling to notify parents and staff of school closures or other essential situations.	($500)	($500)	($500)	($500)	($500)	($2,500)	$0
TOTALS CHAPTER 12	**($500)**	**($500)**	**($500)**	**($500)**	**($500)**	**($2,500)**	**($50,000)**