SUMMARY REPORT

STAFFORD MUNICIPAL SCHOOL DISTRICT

STAFFORD MUNICIPAL SCHOOL DISTRICT MANAGEMENT AND PERFORMANCE REVIEW

Stafford Municipal School District's (SMSD's) school review report noted 22 commendable practices and made 74 recommendations for improvement. The following is an Executive Summary of the significant accomplishments, findings, and recommendations that resulted from the review. The fiscal impact summary is located on page 15 of this report. A copy of the full report can be found at www.lbb.state.tx.us.

SIGNIFICANT ACCOMPLISHMENTS

- SMSD created an educational foundation to supplement funding for educational programs and activities.

- SMSD is encouraging teachers to further their education by entering into an agreement with the University of Houston-Victoria School of Education that offers a Masters program exclusively for SMSD professional staff.

- SMSD has a School Resource Officer Program that provides visible security presence to deter school crime and increase the safety of students and staff.

- SMSD minimized its recapture liability despite increasing wealth per weighted average daily attendance (WADA) by increasing student enrollment and actively pursuing multiple Chapter 41 district options.

- SMSD's close monitoring of monthly energy bills and energy management controls on equipment reduced its energy costs 23.4 percent from $1.37 per square foot in 2000–01 and 2001–02 to $1.05 per square foot in 2002–03, saving taxpayers more than $181,000.

- SMSD's Maintenance Department implemented a number of procedural changes in 2002–03 and 2003–04 that improved maintenance operations and saved money.

SIGNIFICANT FINDINGS

- The district and the City of Stafford have not worked together to bridge differences in opinion and enhance communications between the two entities. This relationship needs to improve since HB 2964 passed during the 78th session of the Texas Legislature in 2003 requires three-fourths agreement of the total voting members present from City Council and the Board of Trustees to approve the district's tax rate and annual budget.

- SMSD does not use staffing formulas based on enrollment to determine the appropriate number of staff for its schools. From 1999–2000 to 2003–04, staff increased 9.9 percent while student enrollment declined by 1.0 percent.

- In 2003–04, the district did not have scope and sequence documents for subjects in all grade levels to provide a list of curriculum standards or learning objectives for each subject or pacing calendars so that teachers know when to teach specific objectives or do benchmark testing for the Texas Assessment of Knowledge and Skills (TAKS) test.

- SMSD's technology organization is understaffed and unable to support the district's administrative and instructional technology requirements.

- SMSD has been operating under board-declared financial exigency since May 2003 and has not taken action to undeclare the district's state of financial exigency, even though the district and the City Council jointly adopted a 2004–05 budget plan with the financial resources necessary to meet the district's needs.

- SMSD offers a local optional homestead exemption of 20 percent of the property value in addition to the state-mandated $15,000 homestead exemption. By providing this exemption the district is losing more than $600,000 annually, funding not available to offset district expenses.

- SMSD purchased goods and services in a manner that did not comply with board policies, district-purchasing procedures, and Texas Education Code competitive bid requirements.

- In 2003–04, SMSD had inefficient bus routes and schedules because these processes were managed manually.

SIGNIFICANT RECOMMENDATIONS

- **Recommendation: Increase the interaction of SMSD and the City of Stafford to include meetings, committees, and communications not specifically required by law.** The superintendent, Board of Trustees, mayor, and City Council have not regularly met in the past to discuss issues and should improve communication by holding quarterly meetings between City Council and the Board of Trustees, establishing a joint budget committee to discuss the district's budget prior to the mandated approval meeting, creating a committee of council members and board members to review current services provided to

SMSD by the city, and providing joint communications to the community on a periodic basis.

- **Recommendation: Develop staffing levels based on student enrollment and reduce campus staffing to reflect recommended minimum standards.** The district should develop staffing levels based on student enrollment and reduce campus staffing to reflect recommended minimum standards. Based on the Southern Association of Colleges and Schools (SACS) standards, SMSD should reduce its staff by 4.6 secretary/clerk positions.

- **Recommendation: Implement scope and sequence documents, pacing calendars, and develop benchmark assessments or tests for all SMSD courses and subject areas.** The district has begun this process by purchasing an online curriculum product during summer 2004 to be implemented in 2004–05. The district should use this instructional software to complete scope and sequence documents with pacing calendars that will allow the district to establish clear consistent guidelines for instructional delivery. The administration of benchmark assessments or tests will allow confirmation of instructional alignment to the Texas Essential Knowledge and Skills (TEKS) objectives and enable principals to monitor the curriculum to determine if TEKS are being consistently taught.

- **Recommendation: Restructure the district's technology organization.** By hiring a director of Instructional Technology with experience in TEKS Technology Applications requirements; by creating two Instructional Technology specialists to work directly with campus staff in the areas of technology staff development, integration, and planning; and by creating four campus technology support positions to provide front line technical support, staff development, and technology integration support to their peers, the district could eliminate the secretary and computer lab manager positions and build a structure to improve technology.

- **Recommendation: Undeclare the district's state of financial exigency.** The board should vote to undeclare the district's financial emergency status at the earliest opportunity to avoid possible future negative impacts on the district's credit worthiness. The Texas Education Agency informally recommends that districts "undeclare" financial exigency once the financial emergency is remedied.

- **Recommendation: Discontinue the 20 percent optional homestead exemption.** SMSD's maintenance and operations tax rate is capped at the maximum level of $1.50. Eliminating the optional homestead exemption would provide the district with additional operating funds.

- **Recommendation: Establish a purchasing process to monitor and ensure compliance with state and federal procurement laws and board policies.** Establishing processes that comply with state and federal laws and board policies for purchasing will help ensure compliance and avoid future legal and financial purchasing violations. The business manager and the superintendent should develop a written process that includes the development of a bid calendar and the review of budgets to monitor bidding compliance to determine which categories of purchases might exceed the $10,000 or the $25,000 thresholds, and prepare bids according to the law or district policy.

- **Recommendation: Install the computerized bus routing software and monitor the recommended bus routing changes for efficiency.** The district should complete the workstation hardware set up to receive the customized software from the vendor and schedule vendor training for district staff. Implementing the bus routing changes reduces the total number of SMSD bus routes from 24 to 18 routes, and monitoring routes for efficiency would help scheduling to be able to adapt to any construction, road changes, or closures as they occur.

COMMUNICATION BETWEEN SMSD AND CITY OF STAFFORD

SMSD and the City of Stafford have not worked together to bridge differences in opinion and enhance communications between the two entities. The mayor and City Council have been critical of SMSD due to issues such as declining enrollment, teacher turnover, fiscal problems, and escalating tax rates. Newspaper articles citing comments from representatives of both the school district and the city have served to increase the distance between the two entities.

Passage of both House Bill 2964 during the Seventy-eighth session of the Texas Legislature in 2003 and the Home Rule City Charter heightened tension between the mayor and City Council and the school district. House Bill 2964 requires agreement of three-fourths of the total voting members present of the City Council and the Board of Trustees to approve

both the tax rate and the annual budget. With the adoption of the Home Rule City Charter by the citizens of the City of Stafford in May 2004, both the City Council and the Board of Trustees have seven members, for a total of 14 voting members. If all were present, eleven votes would be required to approve either the tax rate or the budget. With all seven SMSD board members supporting passage, at least four of seven council members would also have to vote for approval.

According to the district's board president and the superintendent, this requirement was acceptable until the city proposed changing the city's charter from general government to home rule, expanding the City Council from five to six members, and giving a vote to the mayor, who previously was allowed to vote only in the case of a tie. Prior to the expansion of the City Council from five to seven votes, the district only needed nine total votes to approve the tax rate and budget (seven board members plus five council members equals 12 votes, of which nine equals three-fourths). That meant that if all seven board members approved the budget, only two of five council members would have had to vote in agreement for approval.

Rather than the two entities working together in the closest possible fashion, there have been complaints from both sides. The mayor and City Council feel that the district has been poorly managed and has not spent money wisely. The superintendent and some school board members believe that the mayor and City Council are trying to impose themselves in the decision-making process of the district and "take over" SMSD.

In his *State of the City* speech in January 2004, the mayor of Stafford referred to the district's financial operations as "fiscal chaos." The city eliminated its property tax and survives only on sales tax revenue; yet, according to the city's director of Finance, their fund balance has continued to increase. At the same time, SMSD used $1.8 million of the SMSD fund balance to balance the 2003–04 budget. According to the mayor, House Bill 2964 was designed to help address the financial and management problems of SMSD by expanding the city's involvement in SMSD's financial governance.

Deliberations of the city's Charter Commission in other areas also added to the tension between the city and SMSD. In March 2004, the relationship between the city and SMSD worsened due to the presentation of the city's financial audit report, in which the city's external auditor included SMSD financial information as a component unit of the City of Stafford. During an interview with the superintendent by the review team, the superintendent said he did not believe that the district was a component unit of the city. According to the city's external auditor, an employee of the Texas Education Agency (TEA) contacted the external auditor to "relate the concerns of [the superintendent and] a lawyer for SMSD" that "the school district wanted the pages removed" and that inclusion of the district's financial information was "optional."

The review team interviewed the mayor, the SMSD board president and each trustee, and the superintendent. During the interview with the mayor, the review team asked for specific things the mayor would like to see done to foster a better relationship between the city and SMSD, and specific issues that he felt should be discussed. The mayor said he would like to see the City Council and Board of Trustees meet more frequently than the mandated once per year to approve the tax rate and the budget. Further, he identified other issues for discussion at such meetings (**Exhibit 2-5**). A similar request was made of the superintendent, who solicited SMSD's board members and provided a list of issues from the district, also shown in the exhibit.

EXHIBIT 2-5
POTENTIAL ISSUES FOR DISCUSSION BETWEEN THE CITY OF STAFFORD AND THE STAFFORD MUNICIPAL SCHOOL DISTRICT
JUNE 2004

ISSUE	IDENTIFIED BY THE	
	CITY	SMSD
Communication	Communications and coordination between SMSD and the city.	Constructive and positive communication from city officials as it relates to the school district.
Involvement in school district matters	Involvement of the city in SMSD matters.	School/community safety to include city efforts at drug traffic suppression, increased police presence at the school after the instructional day, and increased traffic control before and after school.
		Recruitment and retention of faculty and staff. In particular teacher/employee recognition and appreciation.
		SMSD Educational Foundation.

EXHIBIT 2-5(CONTINUED)
POTENTIAL ISSUES FOR DISCUSSION BETWEEN THE CITY OF STAFFORD AND THE
STAFFORD MUNICIPAL SCHOOL DISTRICT
JUNE 2004

Property use and cost	Civic Center and properties in the municipal complex, including the swimming pool.	Shared service agreements, lease of transportation facility, conditions and usage of shared transportation facility to include possible warehousing of school property other than vehicles at shared facility.
		Direct city support of youth, community, and employer-based organizations through assumption of operating costs of facilities and related costs.
Land use	Seventeen acres acquired by SMSD in Missouri City.	City's intended use of acreage surrounding school district property.
	Annexation of property to the city and/or SMSD.	
Governance	Future of municipal school district.	Proper usage and application of legal lines of authority to include the legislative intent of HB2964.
	Joint home rule charter.	
Demographics	SMSD enrollment projections and impact of city residential growth.	City demography and geography to include changes in demographic makeup of residents, occupancy rates, and possible room for residential growth.
Financial issues	Property taxes and SMSD financial factors.	Stabilization of the declining property tax base. Preliminary freeze-adjusted net taxable values for 2004–2005 show another $26.3 million decline in freeze-adjusted net taxable values on top of the approximately $9 million drop experienced this year. For Chapter 41 districts, the decline in base is not simply a loss in revenue; for SMSD it represents a $395,000 increase in expenditure for 2004–05.
		Economic development.
		Direct reduction of school operating costs through assumption of some maintenance and operating costs by city.
Other		City's legislative agenda with regard to the school district.

SOURCE: Interview with the Mayor, City of Stafford, March 2004 and information provided by the SMSD Superintendent, June 2004.

The district held budget workshops with the City of Stafford in July and August 2004 regarding the district's budget and tax rate. On August 25, 2004 the school board and Stafford City Council unanimously approved a district budget of $23.5 million and tax rate of $1.708.

SMSD should increase the interaction with the City of Stafford to include meetings, committees, and communications not specifically required by law. The superintendent, the Board of Trustees, the mayor, and City Council should implement the following:

▪ Hold quarterly meetings between City Council and the Board of Trustees. An agenda should be prepared jointly by the superintendent and the mayor and involve issues of concern to both entities. Community participation should be encouraged.

▪ Establish a joint budget committee comprised of members of the City Council and the Board of Trustees to review the district's budget prior to the mandated approval meeting. The superintendent, SMSD's business manager, and the city's director of Finance should all be ex officio members of the committee. The committee should meet at least three times to discuss the assumptions on which SMSD's budget is based and facilitate questions by city participants. The committee should provide written comments to the City Council and the Board of Trustees highlighting areas of common agreement and areas that need further discussion prior to the final approval vote.

▪ Establish a committee of council members and board members to review current services provided by the city to SMSD and the cost of such services, and evaluate other opportunities for the city and school district to work together. The committee should meet at least twice per year or additionally if there is a specific need.

▪ Provide joint communications to the community on a periodic basis. At least following the

proposed quarterly meetings between City Council and the Board of Trustees, the city and SMSD should issue joint, written communications to residents of the city. These communications should highlight issues discussed and additional issues to be discussed in future meetings.

STAFFING LEVELS BASED ON STUDENT ENROLLMENT

SMSD does not use formulas based on student enrollment to determine the assignment of staff. The district does not implement local staffing formulas to determine its required personnel.

Exhibit 2-8 compares student and staff counts for the past five years. While the number of total students decreased by 1.0 percent, total staff increased by 9.9 percent. The largest increase was in the area of support staff, with a 61.1 percent increase. The number of teachers increased 1.0 percent.

Exhibit 2-9 shows the distribution of staff by campus.

The Southern Association of Colleges and Schools (SACS) accredits more than 12,000 public and private educational institutions, from pre-kindergarten through university levels, in eleven

states in the Southeastern United States (including Texas) and Latin America.

SACS recommends *minimum* personnel requirements for elementary schools, middle schools, and high schools based on enrollment. The SACS minimum standards for middle schools cover SMSD's middle school and, since the intermediate school includes fifth grade, the review team included that school in this group for staffing comparison purposes.

Exhibit 2-10 compares SMSD campus staffing to SACS standards. The SMSD positions represented are funded only through general fund revenues. No positions funded through special funds, such as grants, special education, or compensatory education, are included in the SMSD totals. Also, the counselor-to-student ratio is 1:355, which is right on track with the State Comptroller's recommended counselor-to-student ratio of 1:350.

SMSD staffing exceeds the SACS standards by 0.5 administrator positions and 4.6 secretary/clerk positions. Since student enrollment in SMSD is not increasing, there will be no anticipated demand for adding staff.

The district should develop staffing levels based on student enrollment and reduce campus staffing to reflect recommended minimum standards. SMSD

EXHIBIT 2-8
SMSD STUDENT AND STAFF COUNTS
1999–2000 THROUGH 2003–04

	1999–2000	2000–01	2001–02	2002–03	2003–04	PERCENT CHANGE
Support staff	18	19	24	21	29	61.1%
Educational aides	20	20	18	28	26	30.0%
Auxiliary staff	95	113	130	120	112	17.9%
Teachers	196	201	204	203	198	1.0%
Administrators	13	13	13	12	12	(7.7%)
Total staff	342	366	389	385	376	9.9%
Total students	2,868	2,874	2,898	2,812	2,838 *	(1.0%)

SOURCE: Texas Education Agency, PEIMS 1999–2000 through 2003–04.
NOTE: Numbers are rounded off.
* Includes students in juvenile justice alternative education program.

EXHIBIT 2-9
SMSD CAMPUS ADMINISTRATIVE STAFF DISTRIBUTION
2003-04

	SECONDARY SCHOOLS		ELEMENTARY SCHOOLS			
POSITION	HIGH	MIDDLE	INTERMEDIATE	ELEMENTARY	PRIMARY	TOTAL
Enrollment	759	668	449	457	501	2,838*
Principal	1.0	1.0	1.0	0.5	0.5	4.0
Assistant principal	2.0	2.0			1.0	5.0
Counselor	3.0	2.0	1.0	1.0	1.0	8.0
Athletic director	1.0					1.0
Librarian	0.5	0.5	1.0	0.5	0.5	3.0
Library aide	1.0	1.0		0.5	0.5	3.0
Secretary	2.6	2.0	1.0	1.0	1.0	7.6
Attendance clerk	1.0	1.0	1.0	1.0	1.0	5.0

SOURCE: SMSD director of Personnel.
* Includes students in the juvenile justice alternative education program.

EXHIBIT 2-10
COMPARISON OF SMSD CAMPUS STAFFING TO SACS STANDARDS
2003–04

	SECONDARY SCHOOLS		ELEMENTARY SCHOOLS			
	HIGH	MIDDLE	INTERMEDIATE	ELEMENTARY	PRIMARY	TOTAL
Enrollment	759	668	449	457	501	2,838 *
Economically disadvantaged	30.2%	34.6%	33.6%	34.6%	50.5%	36.1%
CAMPUS ADMINISTRATOR						
Recommended	2.5	2.0	1.0	1.0	1.0	7.5
Actual	3.0	3.0	1.0	0.5	0.5	8.0
Variance	0.5	1.0	0.0	(0.5)	(0.5)	0.5
SECRETARY/CLERK						
Recommended	3.5	1.5	1.0	1.0	1.0	8.0
Actual	3.6**	3.0	2.0	2.0	2.0	12.6
Variance	0.1	1.5	1.0	1.0	1.0	4.6
Totals	0.6	2.5	1.0	0.5	0.5	5.1

SOURCE: SACS standards and SMSD director of Personnel.
* Includes students in juvenile justice alternative education program.
** Includes part-time positions.

may have particular circumstances/issues that require additional staff, such as the higher percentage of economically disadvantaged students at the primary campus. However, these issues should be evaluated on a case-by-case basis against standards and identified by the district as impacting staffing requirements.

The fiscal impact of implementing this recommendation assumes that SMSD reduces total staff by 4.6 secretaries/clerk positions. The average salary in 2003–04 for secretary/clerk was $19,054. The district calculates benefits for each position using seven percent of the salary plus $1,974. Total salary plus benefits for a secretary clerk is $19,054 plus $1,334 (7 percent) plus $1,974, or $22,362 for a secretary/clerk. The full annual savings from eliminating these positions is $102,865 ($22,362 x 4.6 positions = $102,865).

The full effect of the staff reduction will not be accomplished until 2005–06. However, the campus secretary/clerk positions are at-will positions and can be eliminated immediately. The fiscal impact assumes the positions will be eliminated by January 2005, or one-third of the way through the 2004–05 year, which would result in savings of $68,920 for the 2004–05 year [$102,865 for the secretary/clerk positions x two-thirds (.67) of one year = $68,920].

SCOPE AND SEQUENCE, PACING CALENDARS, AND BENCHMARK TESTS

In 2003–04 the district did not have scope and sequence documents for subjects in all grade levels to provide a list of curriculum standards or learning objectives for each subject or pacing calendars so that teachers know when to teach specific objectives or do benchmark testing for the Texas Assessment of Knowledge and Skills (TAKS) test.

School districts create scope and sequence documents in order to provide a list of curriculum standards or learning objectives for each subject arranged by six or nine week grade reporting periods. Districts then prepare pacing calendars so that teachers know when to teach specific objectives. Teachers can create the lessons they plan to teach each week in the order or "sequence" that is spelled out in each document. Finally, districts develop and administer periodic tests, or benchmark assessments, to determine student mastery of the objectives for each defined period.

As a result of not having these documents and instruments, the district cannot confirm that instruction is aligned to the state standards, and it is impossible for principals to monitor every teacher to determine if the TEKS are being taught consistently.

The newly created Office of Statewide Initiatives, developed through a collaborative effort with TEA and Region 13, published a document in August 2002 entitled *Superintendent's Brief with Planning Guides for Meeting the Higher Learning Standards.* This document outlines the new higher stakes challenges that superintendents and district administrators will face. The instructional facilitator's planning guide of this document offers a plan for preparing curriculum and staff for the higher learning standards that will be measured by the TAKS.

The Cycle to Raise Learning Expectations 2002 and Beyond recommends "insuring alignment of the district curriculum with the TEKS, monitoring the teaching of the TEKS and assessing each student's performance by each TAKS objective." The basic message communicated in this document is that superintendents should have some process in place whereby administrators can ensure that all teachers are teaching all of the TEKS written for the subject

EXHIBIT 1-8
SMSD FRAMEWORK FOR K-5 ENGLISH LANGUAGE ARTS AND READING CURRICULUM
TOPIC SCOPE AND SEQUENCE CURRICULUM DOCUMENT

GRADE LEVEL					
K	**1**	**2**	**3**	**4**	**5**
Task Definition	Task Definition	Task Definition	Task Definition	Task Definition	Task Definition
Information Seeking Strategies	Information Seeking Strategies	Information Seeking Strategies	Information Seeking Strategies	Information Seeking Strategies	Information Seeking Strategies
Location and Access	Location and Access	Location and Access	Location and Access	Location and Access	Location and Access
Use of Information	Use of Information	Use of Information	Use of Information	Use of Information	Use of Information
Synthesis	Synthesis	Synthesis	Synthesis	Synthesis	Synthesis
Evaluation	Evaluation	Evaluation	Evaluation	Evaluation	Evaluation

SOURCE: 1999 SMSD Framework for K-5 English Language Arts and Reading Curriculum.

in which they are assigned. Without a scope and sequence, however, this is not possible.

The SMSD curriculum development process focused on K-12 English Language Arts and Reading curriculum. **Exhibit 1-8** is a replicated copy of a page from the K-5 English Language Arts and Reading document. The document has a consistent format for all grade levels. It is hard to understand, provides little direction for instruction, and does not include scope and sequence or specificity of content. There are no timelines to establish pacing for the delivery of instruction.

Specific objectives by grade level are included in the document. However, objectives are not listed in a specific sequence, and teachers are not expected to deliver instruction according to any type of pacing calendar or timeline.

According to the assistant superintendent of Curriculum and Instruction and information obtained in interviews with the principals, teachers have met for the purpose of developing math curriculum guides, but there has never been a completed document printed and distributed. There has been no alignment or scope and sequence work done in the areas of science and social studies.

Some school districts, like Rockwall ISD (RISD), use small teams of vertically aligned teachers (teachers assigned to consecutive grade levels, i.e. 3, 4, 5) to create complete sets of TEKS aligned scope and sequence documents for their districts. In Rockwall, teachers worked after school and in the summer for extra-duty pay to complete the sequences. RISD spread the work project over several years so that the burden of completing the project did not impact the district's budget during one school year. Using small groups of vertically aligned teachers ensures that objectives are not re-taught year after year and that students are receiving instruction in the objectives in sequences that are meaningful. For example, to

complete a third grade science scope and sequence, a group of three to five teachers from different elementary schools across the district assigned to grades 2 through 4 would work on the scope and sequence. Once the scope and sequence documents were completed, the district gave each teacher in the district the document for their grade level, the one above that grade level, and the one below that grade level. Work continues to include suggestions for classroom activities and materials to use with those activities. There are also recommended time frames or pacing calendars to establish when to teach the activities during specified grade-reporting periods. RISD has experienced success in ensuring that all students receive instruction in a vertically aligned curriculum.

Brazosport ISD devised an instructional model referred to as the *PDCA Instructional Cycle (Plan, Do, Check, Act)*. This model calls for the development of a pacing calendar based on the scope and sequence of the district curriculum. Teachers plan for the delivery of instruction by grade level or subject area teams. The curriculum is then taught. Benchmark assessments or tests (mini-assessments) are given to students to determine objective mastery. Students who have not mastered the content receive additional instruction.

For 2004–05, SMSD purchased an online instructional planning tool, CLEAR (Clarifying Learning to Enhance Achievement Results), which clarifies what is to be taught and assessed and encompasses state curriculum requirements. The district received training during summer 2004 and has begun to monitor the implementation of this curriculum through informal classroom observations and walk-throughs.

SMSD should implement scope and sequence documents, pacing calendars, and benchmark assessments or tests for all courses and subject areas.

The district should use the CLEAR instructional software to complete scope and sequence documents with pacing calendars which will allow the district to establish clear consistent guidelines for instructional delivery. The administration of benchmark assessments or tests will allow confirmation of instructional alignment to the TEKS objectives and enable principals to monitor the curriculum to determine if TEKS are being consistently taught.

TECHNOLOGY ORGANIZATION

The SMSD Technology organization is understaffed and unable to support the district's administrative and instructional technology requirements. As a result, the SMSD Technology organization has significant gaps in service delivery when compared to performance expectations.

There were comments from the Community Open House and focus groups on the understaffing of Instructional Technology support personnel. These remarks included:

- "Each campus should have a technology support person."

- "The children should be taught more about computers and programs than they are now. Most computer courses seem to be self taught by students."

- "Technology misguided dollars into distance learning labs that are never used."

- "We have two labs but one person must work both labs."

The assistant superintendent of Curriculum and Instruction oversees the following central office technology staff: director of Instructional Technology (vacant during review), one network administrator, two computer technicians, and a secretary. There are two computer lab managers (the primary and elementary campus and the middle school campus). The assistant superintendent of Operations oversees the PEIMS coordinator's activities. There is one PEIMS/attendance clerk at the primary and elementary school, one PEIMS/attendance clerk at the intermediate school, two PEIMS/attendance clerks at the middle school, and three PEIMS/attendance clerks at the high school.

The director of Instructional Technology is responsible for staff development, curriculum development, technical support, technology and information management, budget and inventory, policy, reports and laws, and personnel management. One network administrator and two computer technicians are providing technical support.

According to the network administrator, these three staff members provide computer maintenance and support for the district's 1,100 computers (including 50 administrative computers and around 933 computers that are out-of-warranty), WAN/LAN configuration of 34 switches, 12 networked servers and their applications, PBX telephone system, coordination with outside technology vendors, and other duties. The primary role of the secretary has been to collect and process paper-based work orders by retrieving them daily from each campus/central office location and entering them onto a spreadsheet.

The present campus base technology support structure has two computer lab managers. One computer lab manager is assigned to the primary and elementary campus, which has two Compass labs. A second computer lab manager is assigned to the middle school, which has one Sleek Lab and two Internet research and technology applications labs. There is no computer lab manager for the one Compass and one Internet research and technology applications lab at the intermediate campus. There are no computer lab managers at the high school.

The assistant superintendent for Curriculum and Instruction described the greatest need as providing the proper Instructional Technology staffing at the central office and campus levels in order to provide the teachers the professional development needed to integrate the existing technology into their curriculum and instructional practices.

The superintendent described the status of technology as "fragmented, disarrayed, disconnected, and with little substance." The superintendent laid out five goals in June 2003: web site improvement; new and relevant technology plan; compilation of hardware and software inventory; security on the network, including unauthorized access protection, disaster recovery, and routine off-site backup; and integration of technology based on vision and leadership.

A review of the SMSD organizational structure indicates the need to provide additional Instructional Technology staffing. According to the assistant superintendent of Curriculum and Instruction, an Instructional Technology specialist is needed at each campus for staff development and technology integration. While the technology infrastructure of networks and computers has been in place for five years, there has not been enough emphasis placed on the staff development and integration of technology. As the assistant superintendent of Curriculum and Instruction indicated on the Texas Star Chart, SMSD is still at the entry level for the Teaching and Learning and Educator Preparation and Development.

Deer Park ISD has a central office Technology Department that has an executive director of Technology overseeing two district level Instructional Technology specialists, two campus based Instructional Technology specialists, and 12 campus Technology Support leaders that are full-time teachers who receive a stipend to provide technology staff development and integration support. This organization structure results in the proper planning, coordination, and support needed to assist teachers with the integration of technology. As a result, Deer Park ISD is presently at the developing level for Teaching and Learning and at the advanced level for Educator Preparation and Development.

SMSD should restructure the district's technology organization with the following changes:

- Hire a director of Instructional Technology and modify the job description to include documented experience with TEKS Technology Applications requirements; professional development initiatives that include teaching basic technology applications, such as word processing and spreadsheets, to advanced technology applications, such as web design and video editing; teaching integration of these technology applications with the respective core and enrichment subjects, such as social studies and art; and showing teachers how to utilize three computers with 25 students in their classrooms.

- Create two Instructional Technology specialists (one specialist at the primary level and one specialist at the secondary level) reporting to the director of Instructional Technology for purposes of working directly with campus staff in the areas of technology staff development, integration, and planning. The director of Instructional Technology and principals should work closely together with the assistant superintendent of Curriculum and Instruction in the development of the job description and selection process for these positions. They will develop and implement a district and campus technology staff development and integration plan. The director of Instructional Technology will be responsible for the evaluation of these positions but will receive input from the campus principals.

- Create four campus technology support leaders to provide front line technical support, staff development, and technology integration support. Principals will select the campus support leaders with input from the director of Instructional Technology. Selection to these positions should be based on their technology

expertise, curriculum background and teaching experience, and the ability to relate well with peers. They will provide training after school, on Saturdays, during in-service days, and in the summer to district and campus staff.

- Eliminate the secretary position; primary functional responsibility is eliminated by faxing work orders to the Technology department or using an online work order system.

- Eliminate the computer lab manager positions; primary functional responsibility is eliminated by hiring campus-based Instructional Technology specialists.

The annual net fiscal impact of the reorganization would be a cost increase of $43,904 beginning in 2005–06. Benefits are calculated at 7 percent of salary plus $1,974.

Added Positions	Salary	Benefits	Total
Two instructional technology specialists (Teacher salary at 187 days plus 15 extra days)	($90,884)	($10,310)	($101,194)
Four campus technology support leaders (Existing teacher with a $3,000 stipend added)	($12,000)	($840)	($12,840)
Eliminated Positions			
Secretary	$20,371	$3,400	$23,771
Two Computer Lab Managers	$39,636	$6,723	$46,359
Total			($43,904)

Since the report was released after 2004–05 began, SMSD will require time to develop job descriptions for the new positions, post the positions, and interview candidates. As a result, the fiscal impact assumes that the new hires will not start until January 2005, or one-third of the way through the 2004–05 fiscal year. The secretary position is an at-will employee and will be eliminated by January 2005. The computer lab managers are contract positions and will not be eliminated until September 1, 2005. So, the 2004–05 fiscal impact will be a cost of $60,476 [$101,194 for the instructional technology specialists + $12,840 for stipends for the campus technology support positions = $114,034 x two-thirds (.67) of one year = $76,403 - $15,927 for the secretary ($23,771 x two-thirds of one year = $15,927), for a total of $60,476].

FINANCIAL EXIGENCY
SMSD has not taken action to undeclare the district's state of financial exigency. On May 6, 2003, pursuant to the new superintendent's recommendation, the district's school board declared a state of financial exigency. According to SMSD policy DFF (LOCAL), financial exigency shall mean any event or

occurrence that creates a need for the district to reduce financial expenditures for personnel including, but not limited to, a decline in the district's financial resources, a decline in enrollment, a cut in funding, a decline in tax revenues, or an unanticipated expense or capital need. The declaration option is designed as a short-term protection for the district's credit worthiness while it reorganizes priorities to meet monetary obligations.

Although the district is current with bond refunding as of June 2004, the district could negatively affect its future bond rating if the financial emergency declaration is prolonged unnecessarily. In the 2003 audit, the superintendent and business manager prepared a Management Discussion and Analysis (MD&A) for the auditors to include with the published audit. The MD&A gave the following four primary reasons for the declaration of financial exigency:

- SMSD's status as a Texas Education Code Chapter 41 or wealthy school district, coupled with technical changes within the state funding formulas; the effects of Truth in Taxation; static or declining enrollment; and static adjusted net taxable property tax base growth and subsequent decline;

- Liberal expenditure practices;

- Poor data controls; and

- Lack of controls on hiring practices.

SMSD became dependent upon having to use its fund balance, or reserves, to offset the difference between the district's taxable values set by the county appraisal district for the current tax year and the State Comptroller's Property Tax Division's property values for the prior year. In the past years, SMSD had budgeted in a manner that tax revenue growth was not properly reserved but was expended. This budgeting practice caused a projected reduction of fund balance such that financial exigency was declared.

For 2003–04, SMSD maintained the state tax rate cap for maintenance and operations of $1.50 per $100 valuation while experiencing a drop in net taxable base. The drop in net taxable base was due to an actual decline in locally assessed property tax values. The district's financial position was further constrained due to a technical change in the Chapter 41 recapture calculation that disallowed a credit of 50 percent of the optional homestead exemption, which the district has historically given and continues to provide to its homeowners. This change increased the amount of recapture the district was required to remit even though maintenance and operations taxes

were not collected on the exempted homestead values.

Since the financial emergency declaration, however, SMSD has not reduced any contract employees through the reduction in force option available in policy DFF (LOCAL). SMSD instead reduced staff through attrition of professional staff. Pupil/teacher ratios were increased at the lower grades, and new schedules are in place for 2004–05 at the secondary level to increase pupil/teacher ratios and require less staff.

In August 2004, SMSD and the Stafford City Council jointly adopted a 2004–05 budget plan that was able to meet the district's needs while lowering the total property tax rate. The Texas Education Agency informally recommends that districts "undeclare" financial exigency once the financial emergency is remedied. When asked about the continuing financial emergency declaration, the superintendent agreed that the district should "undeclare" but noted a conservative approach of reviewing the district's recently released 2002–03 FIRST rating and the 2003–04 external audit report prior to a board recommendation for removing the declaration.

SMSD should undeclare the district's state of financial exigency. The board should vote to undeclare the district's financial emergency status at the earliest opportunity to avoid possible future negative impacts on the district's credit worthiness.

HOMESTEAD EXEMPTION

SMSD offers a local optional homestead exemption of 20 percent of the property value in addition to the state mandated $15,000 homestead exemption. By providing this exemption the district is losing over $600,000 annually, funding not available to offset district expenses. School finance funding involves multiple components related to school district property values. Two components that are used in computing school district taxable value for the purposes of state funding and recapture, T2 and T4, are defined as follows:

- T2: School district taxable value after the loss of the additional $10,000 exemption (used to determine state funding for Chapter 42 districts and recapture for Chapter 41 districts);

- T4: T2 value less 50 percent of the loss to the local optional percentage homestead exemption (used in place of T2 value in funding formulas when authorized by the legislature).

Districts that offer a local homestead option are treated differently than those that do not offer the option under the current law, except in years where there are sufficient funds available that allow the

commissioner of Education to use the T4 values for school funding purposes. In the six years since the T4 value authorization was granted to the commissioner of Education, there have only been two years, 2000–01 and 2002–03, that districts were able to use T4 values. **Exhibit 3-3** shows SMSD's T2 and T4 values for funding purposes.

Funds were not available for this option during 2003–04, so all districts were required to use the T2 value in the state funding and recapture formulas. The use of the T2 value requires the district to calculate recapture based upon a property value which they cannot assess a property tax. The district loses the tax revenue that would have been generated had the district been able to tax the exempted value and is also required to remit a recapture amount that assumes that taxes have been collected on the full value.

SMSD experienced additional loss in 2003–04 due to the decline in local freeze adjusted net taxable value. The decline in local taxable value coupled with state funding formula shift from the T4 value to the T2 value resulted in a direct reduction in fund balance.

For 2003–04, SMSD's local 20 percent homestead exemption was valued at $60,654,289.

The district should discontinue the 20 percent optional homestead exemption. The district's maintenance and operations tax rate is capped at the maximum level of $1.50. Eliminating the optional homestead exemption would provide the district with additional operating funds.

Eliminating the optional homestead exemption would result in an estimated additional $877,971 in tax revenue at the $1.50 per $100 of value tax rate, assuming a 96.5 percent collection rate. (The $60,654,289 optional homestead exemption value times $1.50 tax rate, divided by $100 property value equals $909,814, which would be the total additional assessed tax amount.) According to SMSD's tax collector, the collection rate for current (tax year 2003 taxes paid on or before June 30, 2004) is 96.5 percent. Applying the 96.5 percent rate, the additional amount estimated to be collected is the $909,814 total additional assessed tax amount times

0.965, SMSD's tax year 2003 non-delinquent collection rate, which equals $877,971.

Of the $877,971 collected, assuming SMSD only uses option 3 to meet its Chapter 41 recapture obligation, 31.641 percent, or $277,799, would be sent to the state. The recapture percentage is computed using the Texas Education Agency's 2003–04 Option 3 template and SMSD's 2003–04 funding data. The net difference, $600,172 ($877,971 - $277,799), would remain in the district for maintenance and operation purposes.

The additional tax revenue would be available to the district starting in 2005–06, assuming the board votes to eliminate the 20 percent optional homestead exemption by February 2005.

PURCHASING PROCESS

SMSD purchased goods and services in a manner that did not comply with board policies, district-purchasing procedures, and Texas Education Code competitive bid requirements. The purchases occurred between September 2003 and March 2004. Without proper monitoring of its purchasing process, the district may continue to experience compliance violations with Texas' competitive bidding laws.

The review team conducted interviews with the business manager and the accounts payable clerk and reviewed actual purchases from vendors with cumulative purchases exceeding $10,000. The purchases covered September 2003 through April 2004. Of the 64 vendors selected by the review team, 29 of the aggregate procurements, or total purchases, from vendors for 2003–04 had purchase volumes that equaled or exceeded $25,000. In three of the 29 instances, the purchases were not competitively bid in accordance with Texas competitive procurement laws or SMSD procedures.

Exhibit 3-10 presents a summary of the purchase of goods and services over $25,000 not obtained through proper competitive procurement procedures.

According to the business manager, Pavecon LTD and Durwood Greene Construction LP were bids

EXHIBIT 3-3
T2 AND T4 VALUES FOR SMSD
2000–01 THROUGH 2003–04

YEAR	T2 VALUE	T4 VALUE
2003–04	$1,491,132,087	$1,460,804,943
2002–03	$1,430,349,308	$1,403,272,158
2001–02	$1,336,536,661	$1,312,974,966
2000–01	$1,215,704,467	$1,196,049,105

SOURCE: Comptroller of Public Accounts.
NOTE: SMSD was allowed to use T4 values for recapture purposes in 2002–03 and 2000–01, which resulted in a lower recapture amount.

that the City of Stafford had access to through Missouri City and Fort Bend County. The City of Stafford has agreements with Missouri City and Fort Bend County to piggyback onto the bids of these entities. However, no agreement has been found that gives SMSD the right to use these bids. The board approved the track expenditures to Vibra Whirl for $107,362 in October 2002, prior to employment of the current superintendent or business manager. The invoices were submitted for payment in 2003.

Thirty-five of the selected aggregate procurements equaled or exceeded $10,000. According to SMSD policy, any purchase over $10,000 should have three quotes attached to the purchase requisition. Of these 35 cases, eight did not follow competitive procurement processes.

Exhibit 3-11 presents a summary of purchases for goods and services between $10,000 and $25,000 not obtained through proper competitive procurement procedures.

The review team analyzed maintenance purchases from Dow Pipe & Fence Supply, Scanlon Electric Inc., Fort Bend Mechanical LTD, and Doug Turner Plumbing. All purchases reviewed were made without following established purchasing procedures. The business office received these invoices at the time the purchase orders were submitted. Although three quotes were received on the fencing, no evidence of advertising was found. The student insurance contract was awarded prior to the employment of the business manager. On the copier machines, the business manager received quotes and met with several copier vendors to see product

demonstrations and review pricing. No advertisements were made and the copiers were not purchased through a state contract or approved purchasing contracts to meet the requirements of purchasing laws.

A review of 2002–03 purchases also showed the district automotive supplies totaling $29,977 from two vendors. The district did not purchase the automotive supplies from a cooperative, nor did they go through any bid process. For 2003–04, the district expended over $9,300 to these same two vendors but again did not use a cooperative or bid process.

SMSD's computer system does not have the capability to sort information by vendor category and produce a monthly listing by category to show whether cumulative spending per category is nearing bid limits. TEA's Financial Accountability System Resource Guide (FASRG) has a partial list of related categories to be used as a guide to determine purchasing requirements under the TEC. Some categories listed by TEA are athletic/trainer supplies; various sports supplies; uniforms; custodial supplies; food service supplies such as milk, dry goods, and poultry; equipment; instructional supplies; office equipment; office furniture; and duplicating paper.

In a review of bid folders, no bid folders were found that were considered complete. Advertisements for bids were only found in two of six folders. The folders did not contain bid tabulations or notices of awards. Some of the folders had the information that was taken to the board, but other folders did not.

Under SMSD board policy, the board assumes responsibility for debts incurred in the name of the

EXHIBIT 3-10
SMSD CATEGORIES PURCHASED WITHOUT COMPETITIVE PROCUREMENT OVER $25,000
2003–04

VENDOR	ITEMS PURCHASED	PURCHASES
Pavecon LTD	Track	$37,635
Durwood Greene Construction LP	Athletic stadium project	$51,042
Vibra Whirl LTD	Track resurface	$107,362

SOURCE: SMSD business manager and report from the finance system, April 2004.

EXHIBIT 3-11
SMSD CATEGORIES PURCHASED WITHOUT COMPETITIVE PROCUREMENT
BETWEEN $10,000 AND $25,000
SEPTEMBER 2003 THROUGH APRIL 13, 2004

VENDOR	ITEMS PURCHASED	PURCHASES
Comp USA	Computers	$13,593
Dow Pipe & Fence Supply Co.	Fencing	$13,881
Microcheck Systems, Inc.	Software	$15,287
Scanlon Electric Inc.	Electrical	$17,460
Student Insurance	Insurance	$18,065
Saving Corp – Houston	Copier leases	$21,633
Fort Bend Mechanical LTD	Air conditioning repair	$23,448
Doug Turner Plumbing Co.	Maintenance contracted	$23,882

SOURCE: SMSD business manager and report from the finance system, April 2004.

district as long as those debts are for purchases made in accordance with adopted board policy and have been requested through authorized internal administrative procedures. The policy also makes it clear that the board is not responsible for debts incurred by individuals or organizations not directly under board control. Further, under board policy, individuals making unauthorized purchases are required to assume full responsibility for all such debts.

TEA's FASRG states:

"The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, then economies of scale, such as purchasing in large quantities, may result in lower costs, either per unit item; or in the aggregate. Another reason for competitive bidding is that it is an open process."

The purpose and intent of competitive bidding laws were defined in Sterrett v. Bell, 240 S.W.2c 516, 520 (Texas Civil Appellate–Dallas 1951) using the following guidelines:

- Gives opportunity to bid… on the same undertaking…upon the same thing;

- Requires all bidders be placed upon the same plane of equality…each bid; upon the same terms and conditions;

- Stimulates competition and prevents favoritism; and

- Secures the best work and materials at the lowest practical price.

In 2001, Killeen Independent School District (KISD) made its bid process more efficient by establishing an annual calendar that identifies when specific items should be bid during the year. The calendar was based on historical experience and allowed the district to purchase items as-needed, as well as spread the bid process out over the full year rather than trying to bid multiple items at the same time. Based on KISD's prior experience, the Purchasing Department worked with other departments to develop the calendar.

SMSD should establish a purchasing process to monitor and ensure compliance with state and federal procurement laws and board policies. The business manager and the superintendent should develop a written process that includes the development of a bid calendar and the review of budgets to monitor bidding compliance to determine which categories of purchases might exceed the

$10,000 or the $25,000 thresholds, and prepare bids according to the law or district policy.

COMPUTERIZED BUS ROUTING

In 2003–04, the district had inefficient bus routes and schedules because these processes were managed manually. SMSD is now in the process of updating its manual bus routing and scheduling process. The district approved entering into an interlocal agreement with Round Rock ISD (RRISD) in August 2003 for bus route creation and optimization using interactive computerized bus routing software. This agreement was necessary because the district did not have the expertise or computer hardware capabilities necessary to create the computerized routes or apply the chosen bus routing software for route optimization. The district completed its bus routing software purchase in early November 2003.

Since Round Rock ISD owns and uses the same bus routing software as purchased by SMSD, the district could have forwarded the map and street information, routes, loading and unloading information, site maps, and school bell times needed for route development to RRISD in September 2003, once the interlocal agreement was approved by RRISD's board. However, the required transportation information was not provided to RRISD until late June 2004.

According to the assistant superintendent, the director of Transportation was to be the point person at SMSD for supplying the needed information; however, the Transportation director position experienced turnover during 2003–04. With no process in place to keep the information request moving, the required task remained unfinished until the current (newly hired June 2004) director of Transportation gathered the information and sent it to RRISD in late June 2004.

As a result of the delay, SMSD continued to operate its bus routes less efficiently throughout 2003–04. If the routing information had been provided in September 2003 and recommended optimization been implemented in November 2003 instead of at the beginning of 2004–05, the district could have saved funds that it could have directed to other district priorities. In addition, the software purchase included the first year of maintenance, which the district has not been able to use because both the required computer hardware and customized software product were missing. Instead, Round Rock ISD produced the bus routing software optimization by the end of July and uploaded the information to the software vendor for future installation at SMSD.

Even though the district was unable to receive the bus routing product electronically, they reviewed a

printed copy of the recommended routing changes and decided to implement the recommendations for 2004–05. In order to receive the software product and training on the software purchased from the vendor, the district ordered computer hardware upgrades in late July. As of early August 2004, the customized bus routing information had not been installed at the district.

According to the director of Transportation just prior to the beginning of 2004–05, the district transferred an experienced and certified bus driver, whose position was no longer needed after optimizing the number of bus routes, to become the new transportation dispatcher. Adding the dispatcher position also allows the district's transportation office to remain open from 6:00 a.m. to 6:00 p.m. by staggering the dispatcher and secretary's work schedules, providing expanded service to SMSD's riders and parents without additional cost.

SMSD should install the computerized bus routing software and monitor the recommended bus routing changes for efficiency. The district should complete the workstation hardware set up to receive the customized software from the vendor and schedule vendor training for district staff. Once trained, staff can then monitor bus routes and adapt for the ongoing planned road construction or other occurrences that affect maintaining safe and efficient bus routing and scheduling.

Implementing the bus routing recommendations reduces the total number of SMSD bus routes from 24 to 18, without eliminating any bus stops and maintaining a consistent time schedule. Round Rock ISD's Transportation director conservatively estimates the average total operations cost (maintenance, operations and staffing) of one annual bus route is $15,000. Therefore, the total annual savings would be $15,000 per route times 2 routes per day times the 6 routes eliminated equals $180,000 annual savings before the $2,250 annual software maintenance cost, resulting in a savings of about $177,750 annually. Since SMSD has started manually implementing the routing changes, annual savings will begin in 2004–05.

GENERAL INFORMATION

- Stafford MSD is the only municipal school district in the state.

- The district is located approximately 20 miles southwest of the City of Houston along portions of Highway 59 and US Highway 90A. The entire district encompasses seven square miles and is partially located in both Fort Bend and Harris Counties.

- During the 78th session of the Texas Legislature in 2003, HB 2964, which called for this review, was passed and contains a key provision that specifies the number of members of the Board of Trustees and City Council that must approve both the budget and the tax rate for SMSD.

- The district's enrollment has remained fairly steady at 2,838 students, with a 1.0 percent decrease over the last five years.

- Out of the total 376 full-time-equivalent staff, 198 are teachers.

- The Texas Education Agency (TEA) rated SMSD as 'Academically Acceptable' in 2003–04.

- Based on the passing criteria identified by the Texas Education Agency (TEA) for the 2002-03 statewide assessment, SMSD scored 71.6 percent, compared to the state average of 69.1 percent.

- The district has been in a period of change, having hired the current superintendent in April 2003, declared financial exigency in May 2003 to deal with a $1.8 million budget shortfall for 2003–04, and replaced or had turnover in some key district management positions.

- The legislators in Stafford MSD's district are Senator Ellis (96.0%), Senator Janek (4.0%), Representative Howard (62.3%), Representative Olivo (35.6%), Representative Heflin (1.6%), and Representative Wilson (0.4%).

SCHOOLS
- One primary school (EE-1)

- One elementary school (2-3)

- One intermediate school (4-5)

- One middle school (6-8)

- One high school (9-12)

ALTERNATIVE EDUCATION PROGRAMS
- Stafford Alternative Center, a discipline alternative education program (DAEP) that serves grades 6-12, housed in a shopping center.

- Fort Bend County Juvenile Justice Alternative Education Program, a JJAEP in conjunction with the Fort Bend County Commissioners Court, Juvenile Board, Juvenile Probation Department, and other school districts in Fort Bend County. In 2003-04, four students were assigned to the JJAEP.

2003–04 STUDENT DATA

- 2,838 students enrolled

- 17.1 percent Anglo

- 33.7 percent Hispanic

- 29.0 percent African American

- 19.9 percent Asian/Pacific Islander

- 0.2 percent Native American

- 36.1 percent economically disadvantaged

2003-04 FINANCIAL DATA

- Total budgeted expenditures: $23 million

- Fund balance: $2.6 million, or 11 percent of 2002-03 total budgeted expenditures

- Tax Rate (2003): $1.72 ($1.50 Maintenance and Operations and $0.22 Interest and Sinking).

2003-04 FINANCIAL DATA
2003-04 PERCENT SPENT ON INSTRUCTION

Out of total budgeted expenditures of $23 million, SMSD spent 50.5 percent on instruction, which is right at the state average of 50.4 percent. Looking only at operating expenditures, SMSD spent 58 percent on instruction, which is above the state average of 56.6 percent.

The table below summarizes the fiscal implications of all 74 recommendations contained in the report.

FISCAL IMPACT

	2004–05	2005–06	2006–07	2007–08	2008–09	TOTAL 5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
Gross Savings	$269,820	$1,025,008	$1,025,008	$1,025,008	$1,025,008	$4,369,852	$3,000
Gross Costs	($79,950)	($64,113)	($52,808)	($51,408)	($506,408)	($754,687)	($48,289)
Total	$189,870	$960,895	$972,200	$973,600	$518,600	$3,615,165	($45,289)