

Summary

Performance Review of the San Angelo Independent School District

Background

The Texas Comptroller of Public Accounts initiated the Texas School Performance Review (TSPR) in March 1991. Since TSPR's inception, the Comptroller's objective has been to promote better elementary and secondary education in Texas through improved school district management and cost efficiency. TSPR's primary focus is to increase the funds available for direct instructional services by maximizing the efficiency of instructional support and administrative functions. Prior to the review of the San Angelo Independent School District (SAISD), TSPR already had identified more than \$138.8 million in savings opportunities.

MGT of America, Inc. was engaged by the Comptroller's office in January 1995 to assist in the SAISD review. An overview of the approach and timing of this review is depicted in Chapter 1.

TSPR's review found SAISD to be a relatively well-managed district with admirable community support and involvement, despite the strained relations among board members and between the board and district administrators noted during our interviews. Nevertheless, SAISD has opportunities for improvement, some of which can be realized through implementation of the recommendations in this report.

One pervasive issue is the district's present management information system, which uses outdated hardware and software and does not provide necessary data or communications in a cost-effective manner.

SAISD lacks policies that would provide its administrators with useful guidelines for its athletic programs. The district's athletic programs have experienced more growth and success in recent years than have SAISD's academic programs. This disparity in resources and program effectiveness between athletics and academics is a concern among many members of the San Angelo community.

Summary Results

This review identified total savings of more than \$10.8 million that could be realized by SAISD over the next five years (school years 1995-96 to 1999-2000) if these recommendations are implemented. The recommendations also include investment opportunities of \$483,659 in fiscal year 1996 and total investment opportunities of \$1.6 million over the next five years. The cumulative net savings (savings less recommended investments) from all recommendations is expected to reach almost \$9.3 million by fiscal year 2000.

This report could produce gross savings in the first year of \$880,626. Savings, however, are expected to rise in the second year of implementation to over \$2.2 million, or 7.8 percent of SAISD's administrative budget (total budget minus instructional costs such as teacher salaries and classroom supplies), or 3.3 percent of SAISD's total annual operating budget. The savings opportunities identified in the report are conservative and should be considered the minimum that can be realized if all recommendations are implemented.

Exhibits displaying the total savings and costs associated with TSPR's recommendations are listed at the end of this summary and in Chapter 13. Many recommendations in this report would not have a direct financial impact, but nevertheless represent important improvements over current policies and operating practices. Many recommendations also would improve the level of customer service provided by SAISD. On the basis of the findings of this review, TSPR has developed 121 recommendations.

TSPR identified a number of "best practices" in SAISD's operations. This report highlights several model programs, operations and services being provided by SAISD administrators, teachers and staff. Other school districts throughout the state are encouraged to examine these programs and services to see if they may be adapted to meet their needs. Several of these are listed below.

Exemplary Programs and Practices in SAISD

- SAISD's PAYS (Preparing Area Youth for Success) Alternative School is a nationally recognized model for alternative high school education, providing a program of self-paced individualized instruction to former drop-outs and students in danger of dropping out. The school received a Governor's Excellence Award; its first graduate received a Presidential Award at the White House. (pp. 124-125)
- SAISD's career and technology programs facilitate employable skills in areas relating to local, state and national employers' needs. Courses offered in the areas of computer information technology, health occupations, law enforcement, business technology,

electronics and drafting and design not only provide the student with valuable skills, but also lead to 14 different Associate of Arts degrees offered at Howard College and Texas State Technical College. (pp. 98-106)

- The San Angelo Junior League and SAISD have cooperated on some particularly successful and innovative projects. One such project was the formation of the San Angelo Business & Education Coalition (SABEC) in 1992. SABEC implemented the Texas Scholars program, designed to challenge ³average² high school students to pursue more rigorous courses that better prepare them for higher education and employment. The success of this program has been measured by improved classroom performance as well as increased SAT and ACT test scores. (pp. 178-180)
- The City of San Angelo Recreation Department, SAISD and private businesses have undertaken a summer youth recreation and enrichment program designed for first through sixth grade students. This eight-week program, conducted at two elementary school sites, serves more than 150 children each summer. Funding grants, volunteer support and in-kind donations are contributed by the Concho Valley Private Industry Council, JTPA youth workers, First National Bank of West Texas, Shannon Medical Center, the City of San Angelo and many others. (pp. 176-177)
- A cooperative effort between Angelo State University (ASU) and SAISD provides students who exhibit exceptional abilities in math to participate in the Mathematical Excellence in San Angelo (MESA) program. This program is offered at no cost to SAISD because both SAISD and ASU teachers provide volunteer instructional services. (pp.112-113)
- As an incentive for teachers to become more effective users of instructional technology, SAISD provides a personal computer for school use to teachers who attend 40 hours of computer training without additional pay. (p. 126)
- SAISD's Community Relations Office coordinated 96 different partnerships with San Angelo businesses and the military sector, valued at almost \$1 million worth of volunteer hours and in-kind donations during the 1993-94 school year alone. (pp. 167-176)
- SAISD, the City of San Angelo and Tom Green County participate in cooperative purchases of fuels, lubricants, automotive parts and auctioneer services. SAISD and the city also share the overhead costs of a fleet maintenance facility. For the joint fuel purchasing alone, each of the three entities saves about 4 cents per gallon of fuel, or about \$10,000 annually. (p. 370)
- SAISD's utility budget has not increased since 1991-92, due to the district's successful energy management program. During 1993-94 alone, the district saved more than \$82,000 in energy costs. (p. 227)

- SAISD lowered the cost of its 1994-95 property/casualty insurance premiums by 15 percent by soliciting formal rate quotes from other carriers. (pp. 253-255)
- SAISD's Food Service Department experienced a significant increase in federal meal participation income and a significant decrease in operating expenditures during the 1993-94 school year. (pp. 348-351)
- SAISD's effective alarm system has contributed to a very low incidence of security problems at any of its facilities. (p. 392)

Major Findings and Conclusions

District Management - SAISD's policy manual is outdated, not automated and duplicated in some areas. Further, the district lacks a comprehensive administrative procedures manual. This report recommends SAISD contract with the Texas Association of School Boards to review and update the policy manual and assist the district in developing a comprehensive administrative procedures manual. (pp. 34-38)

Curriculum and Instruction - The district lacks adequate program evaluation of its instructional programs (pp. 86-88). Separation of TAAS test data for all subgroups of students and alignment of curriculum essentials to the tests administered by the district could yield more effective instruction and increase cost-effectiveness in personnel, building use and instructional materials (pp. 78-85). Furthermore, elementary school libraries are inadequately automated, requiring the use of additional personnel to provide library services. This report recommends that the district automate the circulation systems of all elementary school libraries. (pp. 127-128)

Co-curricular Expenditures - SAISD's per-pupil co-curricular expenditures exceed those of its peer districts. A large portion of the district's secondary school teachers are athletic coaches who teach three or less academic instructional periods per day. The district could employ fewer teachers if coaches had responsibility for more academic instructional periods. (pp. 129-138)

Personnel Management - The district's Personnel office is not fully centralized, and does not recruit, employ or maintain records for auxiliary staff in the departments of Food Services, Maintenance and Transportation. Maintenance of personnel records is inadequately automated, resulting in excessive paperwork and personnel costs. By automating the system (pp.161-162) and fully centralizing the Personnel office, fewer employees would be needed to administer the personnel function. (pp.142-144)

Financial Management - The district's present budget document lacks information for effective use as a management or public information tool. This report recommends comparative analyses of programs' cost effectiveness (pp. 269-273). The report also proposes that the Accounting Department be reorganized to provide optimal productivity and management span of control (pp.277-280). Additionally, SAISD lacks an internal audit function. By adding this function, SAISD would be able to improve internal controls and compliance with policies and procedures. (pp. 285-287)

Facilities Use and Space Guidelines - The district operates a relatively effective and efficient facilities management program. However, SAISD lacks an overall facilities improvement plan for the district and for each campus. This report recommends developing a plan that identifies all new construction, remodeling, repair and renovations needed for each campus, and would be used to set budgets and adopt long-range plans. (pp. 195-221)

Asset and Risk Management - The district cannot effectively review bank account balances daily and make effective fund transfers between operating and investment accounts. The district also lacks formalized cash and investment management policies and procedures. This report recommends formalizing cash and investment policies and instituting procedures for maximizing interest earnings through fund transfers between operating and investment accounts. (pp. 233-242)

Fixed Assets - No coordination exists between the risk management and fixed asset management functions in the district. Furthermore, the district has not conducted a physical inventory of its fixed assets since 1983. This report recommends assigning the assistant superintendent for Business and Operations and the warehouse primary responsibility for control of fixed assets. (pp. 258-261)

Management Information Systems - SAISD's current mini-computer and software were purchased in 1981 and upgraded in 1986. This system contains deficiencies that contribute to inefficiencies in the district's support and administrative operations. Remedying these deficiencies would improve productivity and result in significant savings to the district and improved customer service. (pp. 297-308)

Purchasing - The district lacks an automated purchase-order system that would allow campuses or departments to electronically process purchase requisitions. SAISD also lacks written policies and procedures governing emergency purchase orders. This report recommends that the district automate its purchase-order system and formalize a policy regarding the use of emergency purchase orders. (pp. 324-330)

Warehousing - SAISD's warehouse lacks adequate hardware and software to automate its record keeping. Automating warehouse record keeping could generate significant savings. (pp. 337-340)

Transportation - SAISD's Transportation Department has instituted various cost efficiencies, but lacks adequate cost controls for special education and extracurricular transportation. This report recommends purchasing an automated routing system and instituting additional cost controls. (pp. 370-381)

Safety and Security - The district has no written contracts specifying tasks assigned to off-duty police officers who provide safety and security services to SAISD schools. This report recommends that SAISD develop such contracts. (pp. 393-395)

Savings and Investment Requirements

Many of these recommendations would result in savings and revenue increases that could be used by SAISD to more effectively meet its students¹ needs. As already stated, the savings opportunities identified in this report are conservative and should be considered as minimums. Investment requirements usually are related to creating an efficiency or savings to the district, thereby enhancing productivity and effectiveness.

As shown below, and in detail in Exhibit 1, full implementation of the recommendations in this report could produce gross savings of \$10.8 million in the next five years. SAISD could achieve total net savings of almost \$9.3 million by 1999-2000 if all recommendations are implemented.

	Year Savings Begin	Total
1995-96	Initial Annual Net Savings	\$ 600,267
1996-97	Additional Annual Net Savings	\$1,878,129
1997-98	Additional Annual Net Savings	\$2,165,720
1998-99	Additional Annual Net Savings	\$2,305,495
1999-2000	Additional Annual Net Savings	\$2,445,270
	One Time(Costs) Savings	(\$123,300)
	TOTAL SAVINGS PROJECTED FOR 1995-2000	\$9,271,581

Implementation strategies and timelines and fiscal impacts follow each recommendation in this report. The implementation section associated with each recommendation highlights a series of actions. Some of these should be implemented immediately, some over the next year or two and some over several years.

TSPR recommends that the SAISD board ask district administrators to review these recommendations, develop a plan to proceed with their implementation and monitor subsequent progress.