

Progress Report

San Angelo Independent School District

July 2003

In December 2000 Comptroller Carole Keeton Strayhorn announced her intent to conduct a review of the San Angelo Independent School District (SAISD) at the request from Representative Rob Junell and the San Angelo Parents Rights Organization (SAPRO), a local citizens group. SAPRO had expressed numerous concerns regarding the management of the district and the district's declining fund balance, the equivalent of the district's savings account. In follow-up conversations Representative Junell asked the Comptroller to include all of the five smaller districts in Tom Green County in the review.

The Texas School Performance Review (TSPR) division of the Comptroller's office conducts school district reviews. TSPR began work in San Angelo in March 2001. Based upon more than six months of work, the August 2001 report identified SAISD's exemplary programs and suggested concrete ways to improve district operations. If fully implemented, the Comptroller's 112 recommendations could result in net savings of more than \$38.7 million over the next five years. During December 2002, TSPR staff returned to SAISD to assess the district's progress in implementing the recommendations.

Since 1991, TSPR has recommended more than 7,000 ways to save taxpayers more than \$700 million over five-year periods in more than 80 public school districts throughout Texas. TSPR also conducts follow-up reviews of districts that have had at least one year to implement the recommendations. These 60 subsequent reviews showed that school districts have acted on more than 90 percent of TSPR's proposals, saving taxpayers nearly \$125 million. The Comptroller's office expects the full savings to grow in the future.

Improving the Texas School Performance Review

Comptroller Carole Keeton Strayhorn, who took office in January 1999, consulted school district officials, parents and teachers from across Texas and carefully examined past reviews and progress reports in an effort to make TSPR more valuable, even vital, to the state's more than 1,000 school districts. With the perspective of a former teacher, and school

board president, the Comptroller has vowed to steer TSPR toward increased accountability to local school districts and the communities they represent.

Comptroller Strayhorn began by establishing new criteria for selecting school districts for future reviews. Priority is now given to districts judged poor performing academically or financially, and to hands-on reviews that benefit the greatest number of students. To ensure this process also serves small districts, reviews of numerous school districts in close proximity, regardless of academic or financial status, are also completed to achieve some economy of scale, as was the case with the smaller districts reviewed in Tom Green County.

Recognizing that only about 51 cents of every education dollar is spent on instruction, Comptroller Strayhorn's goal is to drive more of every education dollar directly into the classroom. In addition, no longer are school districts' best practices and exemplary models left buried inside individual TSPR reports. Instead, Comptroller Strayhorn has ordered TSPR to share best practices and exemplary programs quickly and systematically among all the state's school districts and with anyone who requests such information. There is simply no reason for a district that has solved a problem well to keep the solution to itself. Comptroller Strayhorn has directed TSPR to serve as an active clearinghouse of the best and brightest ideas in Texas public education. Best practices identified in the original review will be included in the Comptroller's best practices database, *A+ Ideas for Managing Schools* (AIMS), which is accessible on the Web at www.aimsdatabase.org.

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

- ensure students and teachers receive the support and resources necessary to succeed;
- identify innovative options to address core management challenges;
- ensure administrative activities are performed efficiently, without duplication and in a manner that spurs education;
- develop strategies to ensure the districts' processes and programs are continuously assessed and improved;
- understand the links among the districts' functional areas and determine ways to provide a seamless system of services;
- challenge any process, procedure, program or policy that impedes instruction and recommend ways to reduce or eliminate obstacles; and

- put goods and services to the “Yellow Pages test”—government should do no job if there is a business in the Yellow Pages that can do that job better and at a lower cost.

Finally, Comptroller Strayhorn has opened her door to Texans who share her optimism about TSPR’s potential. Suggestions to improve school reviews are welcome at any time. The Comptroller is a staunch believer in public education and public accountability.

Detailed information can be obtained from TSPR by calling 1-800-531-5441 extension 5-3676, or by visiting the Comptroller’s Web site at www.window.state.tx.us.

TSPR in the San Angelo ISD

TSPR began its performance review of SAISD on March 26, 2001. Superintendent Dr. Joe Gonzales announced his resignation on April 26, 2001. A number of senior managers also announced that they would not return in 2001-02. The board appointed Mark Gesch, SAISD’s former executive director for General Administrative Services, as interim superintendent while it searched for a permanent replacement.

TSPR contracted with Gibson Consulting Group Inc.—an Austin-based consulting firm—to assist with the review of SAISD. TSPR later amended the original contract to allow the contracting firm to perform additional analyses of district transactions that the review team uncovered during its on-site work. The team interviewed district employees, school board members, parents, business leaders and community members. The team also conducted three public forums at two district junior high schools, on March 28 and 29, 2001 from 5:00 p.m. to 8:00 p.m. and at one elementary school on March 29 from 5:00 p.m. to 8:00 p.m.

To obtain additional comments, the review team met with eight small focus groups that included teachers, principals, employees, students, parents and community members. The Comptroller’s office also received letters and phone calls from a wide array of parents, teachers and community members. To ensure that all stakeholder groups had input, TSPR sent surveys to students, parents, teachers, support staff and administrators at the schools and district offices.

The team received 479 survey responses from: 73 administrative and support staff; 26 principals and assistant principals; 101 teachers; 108 parents; and 171 students.

The review team also consulted two databases of comparative educational information maintained by the Texas Education Agency (TEA), which compiles information from school districts in its Academic Excellence Indicator System (AEIS) and the Public Education Information Management System (PEIMS).

SAISD selected peer districts for comparisons based on similarities in student enrollment, student performance and community and student demographics. SAISD chose Abilene ISD, Ector County ISD, Midland ISD and Waco ISD as its peer districts. TSPR also compared SAISD to district averages in TEA's Regional Education Service Center XV (Region 15), to which SAISD belongs, and the state as a whole.

San Angelo ISD in Profile

The largest school district in Tom Green County, SAISD serves a culturally diverse population of more than 15,000 students in 2002-03. SAISD has 28 schools: 20 elementary schools, four middle schools, two high schools and two alternative education schools. SAISD's students consists of: 45 percent Anglo, 47.4 percent Hispanic, 6.3 percent African American, 1.1 percent Asian Pacific Islander and 0.2 percent Native American. Economically disadvantaged students make up 49.3 percent of the district's student population.

Five of SAISD's schools received an *Exemplary* rating from TEA in 2002: Bonham, Bowie, Glenmore, Santa Rita and Travis elementary schools. Seven schools received a *Recognized* rating the same year: including the Austin, Belaire, Crockett, Fannin, Goliad and McGill Elementary Schools and the Glenn Junior High School. All other district schools rated *Academically Acceptable*, and the district overall received an *Academically Acceptable* rating.

In 2001-02, 89.2 percent of all SAISD students passed the reading portion of the Texas Assessment of Academic Skills (TAAS); 90.1 percent passed the math portion of the test; 86.1 percent passed the writing portion of the test; and 81.8 percent of students passed all tests taken.

In 2002-03, the district employed a staff of 1,876.5 employees. SAISD employed 1,001 teachers —53.3 percent of its staff—that year. The district budgeted \$90 million in 2002-03. That same year, SAISD generated 33.2 percent of SAISD's budgeted revenues through local taxes; 4.5 percent from other local and intermediate sources; 58.3 percent from the state; and 4.0 percent from the federal government.

SAISD budgeted 51.6 cents of every tax dollar on classroom instruction in 2002-03. The state average is 51 cents of each tax dollar.

The district restored stability by hiring a new superintendent in 2002. The new superintendent and his staff reorganized the district to provide support for academics and tighter control over financial management, helping to reduce public concern and controversy regarding district operations.

SAISD's staff and the TSPR team members have a sense of steady progress. The district has implemented 71 of the Comptroller's recommendations. The district is working toward completing another 32 recommendations and has accepted five recommendations but not implemented them. SAISD chose to reject four of the review team's recommendations. Appendix A provides the details on the status of each recommendation that TSPR made in its original report.

San Angelo ISD Report Card

Chapter	Total	Complete	In Progress	Not Implemented	Rejected	Percent Complete/In Progress	Grades
District Organization and Management	12	9	3	0	0	75%/25%	Satisfactory
Educational Service Delivery	11	5	4	0	2	45%/36%	Satisfactory
Community Involvement	1	1	0	0	0	100%/0%	Excellent
Personnel Management	8	7	1	0	0	88%/12%	Excellent
Facilities Use and Maintenance	12	3	7	2	0	25%/58%	Satisfactory
Asset and Risk Management	12	8	2	0	2	67%/17%	Satisfactory
Financial Management	19	14	3	2	0	74%/16%	Satisfactory
Purchasing and Warehouse	8	5	3	0	0	63%/37%	Satisfactory
Computers and	8	3	5	0	0	38%/62%	Satisfactory

Technology							
Transportation	11	8	3	0	0	73%/27%	Satisfactory
Food Services	7	6	0	1	0	86%/0%	Excellent
Safety and Security	3	2	1	0	0	67%/33%	Satisfactory
Overall Grade	112	71	32	5	4	63%/29%	Satisfactory

Excellent = More than 80% complete

Satisfactory = 80% to 100% complete or in progress

Needs Work = Less than 80% complete or in progress

Exemplary Programs and Practices

SAISD is a school district with some notable successes, and TSPR has identified numerous “best practices.” Through commendations in each chapter, the original report highlighted model programs, operations and services provided by SAISD administrators, teachers and staff members. The Comptroller’s office encourages other school districts throughout Texas to examine these exemplary programs and services to see if they could be adapted to meet local needs. TSPR lists its original commendations below and provides updated information on each topic in italics underneath the original commendation.

- ***SAISD provides incentives to Bilingual and English as a Second Language (ESL) teachers.*** The district provides incentives to encourage teachers to seek either bilingual or ESL certification. The district provides study sessions and a one-time \$250 stipend when teachers receive their credentials. Since its inception in 1995, 330 SAISD teachers have received their certifications and are now qualified to work with the district’s bilingual and ESL students.

The district continues to provide incentives to teachers who seek bilingual or ESL certification. All program participants must pass an Examination of Certification of Educators in Texas (EXCET) in bilingual/ESL education to receive certification. In 2001-02, 66 SAISD teachers received certification.

- ***The Up and Coming Scholars Program assists economically disadvantaged students.*** In partnership with Angelo State University (ASU), economically disadvantaged students who rank in the top one-third of their eighth grade class, successfully complete the program and graduate, are awarded an academic scholarship to attend ASU. The scholarship covers the full cost of tuition and required fees for four years of undergraduate study.

SAISD continues to award students with academic scholarships through this program. Hispanic Outlook in Higher Education, a national magazine, recognized the program for its successes. The scholarship includes the full cost of tuition and all required fees for four years of undergraduate studies. In 2001-02, 42 SAISD students entered the university as a result of this program.

- ***SAISD's online training system streamlines staff development registration.*** SAISD staff can access the district's Web site and register instantly for staff development, instead of registering by mail and waiting for confirmation. In addition, principals can electronically check the training that each teacher has completed and use that information as part of the teacher's growth plan.

The district is enhancing this system with new Web-based technologies. The district will debut its new design in spring 2003.

- ***The district's campus beautification program creates pride in the community.*** A local hospital funds half of the prize money awarded to staff, students and parents for improving their school grounds. The hospital judges the schools and participates in the awards ceremony. The contest has encouraged pride in the appearance of each campus by students, staff and parents, and it saves the district money that would otherwise have been spent to maintain and beautify the school grounds.

SAISD discontinued this program because of a lack of funds and community participation.

- ***Santa Rita Elementary's principal and staff have successfully integrated technology, instruction and real life challenges into the classroom curriculum.*** SAISD's Santa Rita Elementary School has implemented several programs to improve student performance, introduce students to real life challenges and build self-confidence:
 - Students use video and computer equipment to produce a daily 15-minute morning show patterned after shows such as *Good Morning America*.
 - Fifth-grade students build their own robot vehicle from a Lego kit in the Lego Robotics program.
 - Students in a fourth-grade stock market club use computers to track stock market activity and execute mock buy/sell decisions.

- Using a multi-media and an Alpha “Smart Board” in the computer lab, students can connect to Internet broadcasts, such as the space shuttle launching.

The district stated this program continues to be a great success. Santa Rita Elementary uses its technology allotment funds to enhance its instructional technology curriculum. These programs provide an excellent example of how technology can improve student education and can help students understand the world around them.

- **SAISD’s Transportation Department and the City of San Angelo successfully share a vehicle maintenance facility.** Beginning in the 1970s, the city and district built a shared vehicle maintenance facility. The city donated the land and the city, and the district split the construction costs. SAISD and the city also share a vehicle wash system, fueling system and oil storage facility. Shared diesel fuel purchases alone are saving the district \$9,000 annually.

SAISD continues to successfully share a vehicle maintenance facility with the city of San Angelo. The district has expanded the program to include antifreeze recycling and sharing of specialized tools and other equipment. These improvements have resulted in extra cost savings for both the district and the city.

- **SAISD’s alternative education programs are comprehensive and multi-dimensional, taking into account a broad range of needs for at-risk students.** SAISD’s programs address the special needs of students who cannot function in the traditional classroom, who need a short term-disciplinary setting or who might need more intense instruction/counseling in a military setting. Its Preparing Area Youth for Success (PAYS) program has been recognized nationally and statewide for its innovative teaching strategies. Programs are individualized and self-paced as long as students make suitable progress.

SAISD has continued alternative education programs such as those at Carver and the Student Adjustment Centers. During 2001-02, the district moved the PAYS program to Lake View High School and allowed the students who were attending PAYS to complete their program in a modified school within a school setting. During 2002-03, the district developed a credit recovery program at Central High School. SAISD modeled this program on PAYS. During the first five months of school, the new program has shown great success at getting students in an alternative education setting to operate on a more traditional campus and be successful.

- **SAISD's Teacher Occupational Training encourages students to pursue teaching as a career.** SAISD created a Teacher Occupational Training course by using existing TEA-approved course guidelines to provide students opportunities to experience the classroom as teachers with the goal that more students will pursue teaching as a career.

The district continues to teach this course. The course provides students planning a career as a teacher with actual classroom instruction experience. Student interns on elementary schools provide instructional assistance and support to classroom teachers for about an hour twice a week. The course currently has 55 students enrolled.

- **The School Service Worker Program helps keep children in school.** The School Service Worker Program is an innovative program that uses an interdisciplinary team of school psychologists, guidance counselors, nurses, principals, and/or classroom teachers to conduct home visits and prepare an intervention plan for the student and/or parents with the ultimate goal of improving attendance. Since the program's inception in 1997, the dropout rate in SAISD dropped from 2.3 percent in 1997 to 1.4 percent in 1999-2000.

The School Service Worker Program continues to be a success in SAISD. During the last four years, the program helped SAISD cut its dropout rate in half. The district's dropout rate decreased to 1.3 percent in 2000-01, bringing it even with the state average.

- **The Maintenance Department has implemented a “forward maintenance crew” to visit schools yearly and perform preventive maintenance and low priority work orders.** The forward maintenance crew, which includes mechanical, electrical, carpentry, painting and plumbing expertise, comes to each school at least once a year to make the repairs that have not been emergencies but are needed to upgrade facilities and provide appropriate spaces for the educational program. The crews satisfy the majority of maintenance needs that are either preventive maintenance or have not been of sufficient priority to receive immediate attention.

SAISD continues to use the forward maintenance crew to satisfy the majority of non-emergency maintenance needs that schools have. The crew visits each school at least once a year. The crew schedules additional visits as it has staff available. School administrators continue to be satisfied with this program.

TSPR Key Recommendations

Administrators and staff identified the TSPR recommendations that they said had the greatest impact on district operations. The recommendations are organized by chapter and area of operation in the original report. The comments came from district administrators during the TSPR team's follow-up visit to the district.

District Organization and Management

Recommendation 6: Adhere to district policy on how board members shall respond to complaints from the public and prepare procedures for the handling of citizen requests and complaints.

After much discussion, the board adopted new comprehensive standard operating procedures in October 2002. The new procedures facilitate more effective teamwork and cooperation between the board, the superintendent and his leadership team. District staff drafted the new procedures during a special board workshop in the summer of 2001-02. The district said this was a significant step for the board because it established its first set of clear guidelines on how the board should operate and relate to staff and the community. In November 2002 the board conducted its first comprehensive self-evaluation.

Recommendation 8: Streamline central and campus administration and reorganize the district to reflect a more logical grouping of related functions.

The assistant superintendent of Support Services and several of his key staff said this recommendation and the staffing allocation formula assisted the district in reducing labor and reorganizing staff in 2000-01 and 2001-02. The recommendation helped the district streamline departments and the administration, eliminating the deputy superintendent position, one assistant superintendent and one executive director position while significantly improving the assignment of duties and responsibilities to administrators.

Educational Service Delivery

Recommendation 22: Create a five-year plan including grant funding and budget reallocations to improve library programs to meet the state standard of "acceptable" or higher.

District administrators said that they had discussed this idea for many years, but had not obtained enough support to begin the process. After

TSPR made the recommendation, district staff inventoried all the libraries. SAISD issued a report in January 2002 that detailed the inventory and listed what each library needed to bring it up to the “acceptable” standard. The report also included a cost estimate for making the changes. The board supported the staff report and voted in November 2002 to set aside \$500,000 to upgrade all the libraries. The board also established a specific annual allocation of funds for each campus library that it began using in the 2002-03 budget.

Personnel Management

Recommendation 25: Implement a staffing allocation formula for all staffing categories and reduce staffing.

In June 2001 the district declared a state of financial exigency. This move gave the district the authority under Texas law to reduce expenditures by terminating professional term contracts during the contract period. The district stated that adopting staffing formulas helped it determine how to staff the district to best meet the student’s needs. According to the district, the staffing formulas proved particularly helpful at the secondary level. The district plans to adopt newer, more aggressive staffing formulas for the coming school year to keep up with the district’s student changes.

Recommendation 26: Eliminate one director position in the Personnel Office.

The district eliminated two director positions in the Personnel Office. In the past, five directors performed work that is now handled by the three remaining directors. The district anticipates a five-year savings of more than \$450,000. This is a 78 percent greater reduction in staff salaries than TSPR originally estimated.

Facilities Use and Management

Recommendation 33: Develop a comprehensive, long-range facilities master plan.

Recommendation 34: Close one elementary school and adjust attendance zones to allow enrollment at other smaller elementary schools to be increased.

District financial managers said that developing a long-range facilities master plan was one of the board’s five goals for the district before the TSPR review. With declining enrollment, the district needed to identify ways to cut costs while still effectively educating students. The district said they saw these two recommendations as intertwined and integral to

the administration's decision to closing one elementary school and adjusting the attendance zones. The district closed Day Elementary School in the fall of 2002. While the district had recognized the need to adjust attendance zones based on changing enrollments, the recommendation of an outside third party helped the administration convince the community that the district needed to close a school and adjust the zones to save money. One administrator even remarked that "the recommendation showed that it wasn't just administrators who were saying these things." The district leased the school to a Head Start program, which is responsible for maintaining the building. The lease results in \$5,500 a month in rental income for the district.

The board created a committee to develop a comprehensive, long-range facilities master plan. The district issued a request for quotations (RFQs) for a facilities study in January 2003. Fifteen firms responded and central office administrative personnel conducted an evaluation of the proposals. The RFQ committee selected six firms to be

interviewed by the administration. The administration narrowed the list to three firms for the board to interview. The board conducted the interviews on February 26 and February 27, 2003 but postponed a decision until March 17, 2003. In March 2003 the board decided to conduct a facilities planning workshop before making any final decisions.

Financial Management

Recommendation 67: Restrict Accounts Payable's ability to create new vendors in the district's financial accounting system.

The department revised its procedures and now only allows purchasers to set up new vendors in the system. District administrators said this important recommendation identified a risk of which they were unaware. By restricting the number of people allowed to set up new vendors, the district has mitigated its risk.

Recommendation 69: Require accounting staff to test all revisions and upgrades to software prior to installing the upgrades in the district's financial accounting system.

Finance management noted that many of the recommendations in the financial management section of the report related to improving communication, which the district said was poor at the time of the review. Many of the recommendations focused on improving communication in the financial areas and between administrators. District administrators said having more frequent and effective meetings, improved procedures and efficient use of email as key to improving communication.

By improving communication and requiring accounting staff to test all financial accounting system software revisions and upgrades, the district has significantly improved its use of technology to manage its finances and has provided for increased accountability within the district and better financial information to its board.

Purchasing and Warehouse

Recommendation 77: Develop a purchasing procedures manual and provide training to all district staff on purchasing policies, procedures and practices.

Recommendation 83: Eliminate the district's central supply service and order supplies on a just-in-time basis.

The purchasing manager considered these two recommendations as the most significant for the purchasing functions. The new purchasing director, who had been a school administrator at the time of the review, said that the district had many gaps in its purchasing program before developing its purchasing procedures manual. Purchasing staff have significantly improved purchase order processing, and the manual has been exceptionally useful in training school staff on purchasing rules and procedures. The board recognized that many of the stored items could be acquired through the just-in-time method of procurement. The district now purchases almost all school supplies through just-in-time acquisitions. Staff used to wait between four and five days to receive supplies from the district's warehouse. Now they order the supplies directly from the manufacturer or supplier and receive them in 48 hours or less.

Transportation

Recommendation 95: Stagger bell times to improve the performance of SAISD regular bus routes.

District administrators had considered making this change but had not implemented it because of community opposition. The board and administration conducted a careful study of the proposed change, examining how other districts used a staggered bell system to improve transportation efficiency and reduce costs. After careful assessment, the board adopted the policy change by a vote of seven to zero. The change also increased ridership at the junior high level. The transportation director said that the buses are routinely full now. The community has accepted the change, and the district anticipates it will realize a savings of nearly \$400,000 over the course of five years.

Recommendation 100: Adopt a vehicle replacement plan that reduces the spare ratio and commits funds to the plan annually.

The Transportation director said that while the recommendation will cost the district money initially, the district will eventually realize savings in terms of maintenance costs and improved operations. The plan adopted by the district will reduce the age at which the district replaces buses. Instead of every 17 years, the district will now replace its buses every 14 years. This recommendation, in conjunction with staggering the bell times at the schools, has allowed the district to reduce the number of spare buses it maintains by five while adding three additional routes at no additional cost to the district.

Food Services

Recommendation 103: Develop strategies to increase the identification of eligible students for free and reduced-price meal benefits.

The Food Services director identified this as a key recommendation for helping the district limit losses in compensatory and child nutrition funding. The district identified more students initially and realized some savings. But the district has not been able to increase income because of declining student enrollment. The district experienced a 1 percent increase in students eligible for free and reduced-priced meals in 2001-02 despite an overall decline in student enrollment. In 2002-03, the number of students who were eligible for benefits decreased by 3.64 percent from the base year comparison. The Food Services director said that the district would have experienced greater losses if the department had not increased its efforts to identify all eligible students the previous year.

What Still Needs to be Done?

SAISD has made steady progress towards implementing TSPR's recommendations. The district has implemented 71 recommendations, 32 are in various stages of progress and five have been reviewed but have not been addressed and four were rejected. The district chose not to implement four of the review team's recommendations. This section addresses the key areas that require additional attention from the district.

Facilities Use and Management

TSPR recommended that the district develop a comprehensive long-range facilities master plan (Recommendation 33) and establish a policy (Recommendation 36) governing the use of portable classrooms. Based on an analysis of SAISD's student distribution among schools at the time of

the review and a projected declining enrollment, TSPR encouraged SAISD to develop a long-range plan to determine how it should manage and maintain its existing schools and prepare for declining enrollment. SAISD has taken some steps towards developing a plan, such as hiring a consultant to update a demographics study, and is in the process of issuing and evaluating responses to an RFP for a facilities plan. SAISD needs to complete this process and finalize the facilities plan in order to determine how it will distribute children between the schools and where SAISD will spend its limited maintenance dollars in the coming years. SAISD has stated a desire to eliminate the use of portable buildings in the district. The district should take the next step in formalizing this goal and establishing a board policy on how and when the district will use and maintain portable buildings. Portable buildings are more costly to maintain, clean and use more energy than permanent buildings. A board policy will help the district limit the need for this type of classroom.

Asset and Risk Management

The district has not fully implemented Recommendation 50. This recommendation calls for the creation of a workers' compensation task force to help the district identify ways to save money. The district has assigned the task to a committee; the committee began meeting in fall 2002. The TSPR review showed that the number of claims had risen more than 14 percent since 1997-98 and that the average cost per claim had risen more than 85 percent during the same period. The district should accelerate the committee's work in determining solutions for decreasing claims and improving the safety of district personnel.

Financial Management

The district chose not to implement Recommendation 75. The recommendation suggested that the district hire an internal auditor who would directly report to the board. District administrators said that because of recent budget cuts and staff reductions the position was not a priority. TSPR made this recommendation to SAISD in 1995 and again during its 2001 review. SAISD's own cash investment manager also recommended that the district hire an internal auditor in July 1999. The Texas State Auditor's Office recommends that all school districts with annual expenditures of more than \$20 million and with more than 5,000 students have an internal auditor position. With a 2001-02 budget of \$88 million and more than 15,000 students, SAISD meets these criteria. Internal auditors help ensure that districts spend funds for the intended purpose and assist districts in identifying waste and unnecessary spending. The district has worked through a number of financial challenges in the past two years and with a declining student enrollment will likely continue to be financially challenged in the near future. The district should reconsider

hiring an internal auditor to fill this valuable function. The district should ensure that the internal auditor maintains independence by having the position report to the board.

SAISD's Ideas for Improving the Texas School Performance Review

TSPR does not assume that its process for performing school reviews works so well that it cannot be improved. Therefore, as part of the progress report preparation process, TSPR asked SAISD staff members and administrators to discuss what went right and what went wrong—and how the process could be improved.

The feedback TSPR has received from other districts led to improvements in the review process. For example, early reports did not include implementation strategies, and districts told TSPR they needed help getting started. As a result, the reports now include implementation strategies and timelines to complement the recommendations. Districts have told TSPR these blueprints are invaluable to implementing the recommendations. It is important for TSPR to continually be mindful of things that did not work as intended so the review process can be improved.

San Angelo administrators and board members made the following observations.

One administrator said that he felt the report made people aware of the challenges facing the district from an independent third party source rather than the administration. The superintendent and key administrators who visited with the Comptroller's staff said that the report helped the district focus on issues. They said the report assisted them on tackling some difficult projects, which may not have been possible without the supporting documentation provided in the report. The state's issuance of a report also lent weight to making these changes.

One administrator said TSPR needed to create a mechanism for tracking the time that district staff uses to prepare for the review and respond to questions. TSPR is investigating which portions of a review are more time or labor intensive for district and is looking at how its procedures could be altered to reduce that impact.

Several administrators asked if the Comptroller or some other official could determine a way to coordinate all the different state agency and federal agency visits. A dozen organizations reviewed the district in 2000-01 and 2001-02. Each visit required staff to stop performing their usual

duties and focus on the needs of the reviewer. One board member also requested increased coordination between TSPR consultants and TEA, the Texas Association of School Boards and the Texas Association of School Administrators. While the district acknowledged that certain reviews were necessary, better coordination would benefit every district that faced multiple assessments from differing regulatory agencies. TSPR checks with the Texas Education Agency concerning any intended visits by TEA to a district being reviewed and TSPR works with the district to improve coordination of TSPR's visit to the district. TSPR continues to investigate ways to minimize the impact of visits on district operations.

Several administrators concurred with the statement that overall the review was a positive process because it helped the organization focus on examining its operations and making any necessary changes. One assistant superintendent added that this report made the district better. District officials said they viewed the report as a tool, which resulted in staff taking their jobs more seriously.

The district's staff pointed out that some recommendations did not take into account the district's location and the resources available to SAISD. For example, they said Recommendation 36 was difficult to implement because there were no vendors in the area able to perform these duties. Some administrators were also frustrated because many of the interviews and data gathering were confined to only a few people within the district.

They said the team did not talk to all of the parties involved with an issue. Consequently, they said some of the information reflected only one side of an issue. They suggested that consultants should have interviewed a broader base of employees and obtained more documentation to ensure all sides of an issue were explored.

TSPR takes this comment seriously and will examine its procedures to ensure that consultants thoroughly research all recommendations to determine if they can be implemented or if some procedural change can be made to incorporate the suggestion into the process. TSPR also uses the findings meeting, where the district reads the draft report, as a tool to correct inaccurate information and provide districts the ability to add information or correct perceptions of the current situation.

July 31, 2003

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

Fellow Texans:

I am pleased to present this report on the progress of the San Angelo Independent School District (SAISD) in implementing my Texas School Performance Review (TSPR) recommendations.

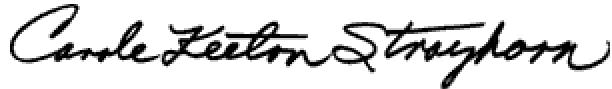
In August 2001, I released the results of my review of the district's operations. This review offered 112 recommendations that collectively could save SAISD taxpayers a net of more than \$38.7 million by 2005-06. The review also noted a number of SAISD's exemplary programs and model services provided by district administrators, teachers and staff.

In December 2002, we returned to check on how well the district's leadership put these proposals into practice. Over the last year, SAISD has implemented, or is in the process of implementing, 103 of the proposals, or 92 percent. The district has saved a net of more than \$8.6 million to date, and expects those savings to grow to more than \$42.1 million over five years.

This report is available on my Web site at
www.window.state.tx.us/tspr/sanangelopr/.

Thanks for all that you do for Texas.

Sincerely,



Carole Keeton Strayhorn
Texas Comptroller

c: Senate Committee on Education
House Committee on Public Education
The Honorable Robert Duncan, State Senator, District 28
The Honorable Scott Campbell, State Representative, District 72

Appendix A

Status of Recommendations and Savings

Rec. #	Recommendation	Implementation Status	TSPR Projected Five - Year Savings (Costs)	Actual Savings (Costs) to Date	Five - Year Savings (Costs) Estimate	Comments
Chapter 1 - District Organization and Management						
1	Conduct additional board training in financial management and ensure that each board member has taken the required hours of overall training. p. 32	Complete	(\$1,250)	\$0	\$0	In 2001-02, the board attended financial management training and team building training provided by Region 15. In December 2002, the board attended ethics training. The district received the training at no cost.
2	Explore ways to televise all board meetings, and write more detailed meeting minutes. p. 34	In Progress	\$0	\$0	\$0	The district has done some preliminary investigation of televising board meetings. The board has not begun televising meetings because it feels that board meetings are conducted in an open atmosphere now. The district does not have the funds for the initial costs and does not have the expertise to operate the system. In 2001-02, the district began making audio recordings of all meetings. Copies of minutes and the voice recordings are available for review by anyone who requests it. The public information

						officer places a board summary on the district's Web site after each regular board meeting.
3	Use timed agendas to consolidate discussions and reduce the number of special and called board meetings. p. 38	In Progress	\$0	\$0	\$0	At the time of the review, board meetings ran between five and six hours, and the board repeatedly called special meetings that would run two and three hours long. The board investigated using timed agendas but felt it did not work well. In 2001-02, the board made a conscious effort to reduce meeting time. The board begins each regular meeting at 5:30 p.m. and usually finishes board business by 7:30 p.m. In addition, the board has called fewer special meetings and limits executive sessions to 30 minutes, if one is necessary. In the past, the board had an executive session with each regular and special meeting and these sessions would last between two and three hours.
4	Modify the board's public input policy to ensure equitable opportunities for public input at board meetings. p. 39	Complete	\$0	\$0	\$0	The board originally proposed Update 68 BED (Local) to allow greater individual input to board meetings in July 2002 and adopted the policy in November 2002.
5	Develop an executive reporting	Complete	\$0	\$0	\$0	The district added a financial impact

	format that includes an analysis of the fiscal impact of issues facing the district. p. 41					statement for each agenda item to its board reporting format in 2001.
6	Adhere to district policy on how board members shall respond to complaints from the public and prepare procedures for the handling of citizen requests and complaints. p. 42	Complete	\$0	\$0	\$0	The district adopted standard operating procedures on October 17, 2002.
7	Institute strict controls over superintendent expenses. p. 47	Complete	\$110,000	\$99,400	\$497,000	The district stopped paying for the superintendent's expenses but added \$600 to superintendent's salary by vote of the board on October 16, 2001. The district handles all reimbursements for the superintendent as it would for any other employee and requires complete receipts for each and every transaction.
8	Streamline central and campus administration and reorganize the district to reflect a more logical grouping of related functions. p. 54	Complete	\$4,413,483	\$2,002,876	\$10,014,380	The district eliminated the deputy superintendent position, assistant superintendent for personnel, as well as several staff and administrator positions. SAISD also completely reorganized its management structure, placing all instructional functions under the assistant superintendent for Educational Support Services and all support functions under the assistant

						superintendent for Support Services.
9	Include specific measures in the superintendent's performance evaluation. p. 58	Complete	\$0	\$0	\$0	The new superintendent's contract included specific performance measures that relate to the superintendent's job description. The board evaluated the superintendent's performance in December 2002 using the new performance measures. The performance measures include improving student performance, working with the board, developing the district improvement plan, managing the district effectively and efficiently, promoting staff development and education and a dozen other objectives.
10	Document administrative procedures. p. 59	Complete	\$0	\$0	\$0	The district had completed documenting most of its administrative procedures by the time of the site visit and was in process of completing the remaining procedures. The district plans to load the procedures on the district's electronic portal and make them available to district personnel in January 2003. The district continues to add procedures as they

						are revised.
11	Establish policy for the use of outside counsel, monitor billings by law firms and move legal fees back to the central administration cost center. p. 61	Complete	\$490,000	\$209,674	\$402,235	The district established a policy for using its external counsel and now monitors the fees for which it is billed. As part of this policy, the district changed the contract with its attorney from January to December billing to September through August billing. This places the counsel's billing cycle on the same schedule as the school year and the fiscal year.
12	Refine the district's strategic plan to include enrollment and financial projections and annually make modifications as needed. p. 67	In Progress	\$0	\$0	\$0	The district hired a demographer and a financial consultant to make demographic projections on a five-year basis and financial projections on a three-year basis. The district began work on this recommendation in 2002-03. The district released an RFQ for developing a facilities long-range plan based on demographics in January 2003.
	Totals - Chapter 1		\$5,012,233	\$2,311,950	\$10,913,615	
Chapter 2 - Educational Service Delivery						
13	Develop and institute a multi-year schedule, including cost estimates, for the development or acquisition of all SAISD subject area and course curriculum guides. p. 83	In Progress	(\$167,450)	\$0	\$0	The district formed committees that wrote standards for math, science and reading/language arts. Under the direction of the new superintendent, the district reviewed and studied the standards. The new superintendent, who

							is very curriculum oriented, devised a plan to develop new curriculum guides that follow the state curriculum, TEKS, and are horizontally and vertically aligned. In September and October 2002, the district trained all administrators to use the Curriculum Audit model. The Educational Support side of the district is locating all written curriculum, placing all written curriculum in one location, rating each guide and then developing new guides. The district will train curriculum writers prior to writing, and they will follow a common format for all guides.
14	Revise the schedule and budget estimates needed to complete the planned training in reading instruction by 2003-04. p. 88	In Progress	\$0	\$0	\$0	SAISD was in the process of organizing reading training prior to the review visit. During 1999-2000, district staff submitted a proposal to the superintendent to use accelerated reading instruction grant funds to train the district curriculum specialist and reading specialists in Rigby's Developing Literacy First course. Next, the district submitted a proposal to begin replicating this training with teachers from	

							Kindergarten to grade 2. By December 2002, the district had trained 200 teachers. During the spring 2002-03 semester the district is training 20 more teachers in this course. In addition, the district provides literacy training with the grade 3 teachers to support and reinforce what they learned during the summer in the reading academy. Teachers in grade 4 will attend the reading academy in the summer of 2002-03. In 2003-04 the district will provide literacy training to teachers in grades 4 and 5.
15	Revise the job descriptions of Curriculum and Instruction personnel to ensure that all job titles are clearly defined and reflect current division organization. p. 91	Complete	\$0	\$0	\$0	SAISD adopted a new organizational structure in July 2002. Staff developed new job descriptions in line with the new organizational structure. Staff will go through their first performance reviews using the new standards included in the descriptions at the end of 2002-03.	
16	Revise the high school course catalog to include accurate course descriptions, titles, prerequisites and curricula of offered courses in grades nine through 12. p. 94	Complete	\$0	\$0	\$0	The district revised the course catalog, called Pathway to Success, in 2001-02 and again in 2002-03. The revised catalog includes detailed information about course descriptions, course prerequisites.	

						location, credit hours and grade determination.
17	Increase student participation in and offerings of high school advanced placement courses. p. 96	In Progress	\$0	\$0	\$0	The assistant superintendent of Educational Support Services instructed secondary teachers, counselors and administrators to inform all students about the state and federal Advanced Placement (AP) examination fee assistance. Counselors made presentations in each AP class concerning AP testing and funding sources. These presentations included: procedures and guidelines for registration; fee exemptions and fee waivers; explanation of the benefits of testing; and possible other funding sources. Administrators used school staff meetings to encourage teachers to promote the AP exams with students in their classrooms.
18	Transfer management of Medicaid reimbursements to the Business and Finance Office and explore alternative methods to increase reimbursements. p. 102	Complete	\$68,515	\$9,566	\$47,830	The district recognized the need to increase reimbursements but chose a different approach to solve this problem. The Special Education Department has worked closely with a Medicaid claims company for several years to develop procedures for submitting claims for School Health

						and Related Services (SHARS). Because this portion of the reimbursement process involves claims for specific children who are being served by Special Education, someone who is familiar with special education records submits the claims. In August 2001, the president of Medicaid Claims Solutions met with all SAISD special education staff involved in the process. He trained the staff to complete the claim forms, answered questions and gave suggestions for ways that the district could increase its claim reimbursements.
19	Bill participating districts for projected Regional Day School for the Deaf costs prior to the start of the school year. p. 103	Rejected	\$0	\$0	\$0	SAISD acts as the receiving district for students who are deaf and reside in small districts outside San Angelo. Region 15 is the fiscal agent for Regional Day School for the Deaf funds. The Regional Day School funds that the state provides are insufficient to fund the program that SAISD must provide. This forces SAISD to use a significant amount of local funds to supplement the program. Districts who send students to a regional program

							such as Brownwood ISD or Del Rio CISD agree to pay a portion of the excess costs associated with this program. The current process, according to the district, allows for a one-time bill and payment process and is considered by all parties to be efficient and agreeable.
20	Use TAAS data to identify student and teacher needs and to improve performance of economically disadvantaged students in grades 7 through 10. p. 110	Complete	\$0	\$0	\$0	The district uses TAAS data to identify student and teacher needs and to improve performance of economically disadvantaged students in grades 7 through 10. The district gave principals test data in numerous forms before the start of 2001-02 and 2002-03. In addition, the district is also sending all principals and 26 teachers to a Margaret Kilgo training on data analysis and assessment.	
21	Develop a five-year strategic plan for Career and Technology Education that includes rationale for course offerings, staff allocation, timelines, and costs and reevaluate staffing at junior high schools. p. 117	Complete	\$0	\$0	\$0	The district reviewed all CATE course offerings and class pre-registration numbers in fall 2001. Because of small enrollment numbers the district decided not to hire one junior high construction teacher and to split a teacher currently on staff between the two schools. This	

						maximized course loads at both schools. The SAISD technology department and curriculum committee discussed distance learning opportunities.
22	Create a five-year plan including grant funding and budget reallocations to improve library programs to meet the state standard of ÒacceptableÓ or higher. p. 119	In Progress	(\$778,620)	(\$500,000)	(\$500,000)	SAISD completed a study on the current status of all libraries in January 2002. None of the secondary schools were acceptable by TEA standards. Only one elementary school was not acceptable. The district developed and funded a plan to use fund balance for the next two years to move all secondary schools to the acceptable level. Also the two Title I secondary schools allotted money for librarians. The district spent Title VI innovative funds on secondary librarians. The campus allocation for 2002-03 required all campuses to have a specific amount for library materials.
23	Use grant funding, community partnerships and caseload reassessments to streamline services to better meet student health needs. p. 122	Rejected	\$0	\$0	\$0	The district chose to continue using RNs instead of replacing them with LVNs because of the specific medical needs of some SAISD students. LVN's are Licensed Vocational Nurses trained in a 12-month certificate program at a community college.

						They give basic skilled care to patients in a structured health care setting. The scope of their practice is not equal to an RN; LVNs cannot make judgments based on assessment and must work under the direct supervision of an RN or higher medical professional.
	Totals - Chapter 2		(\$877,555)	(\$490,434)	(\$452,170)	

Chapter 3 - Community Involvement

24	Reorganize the various community programs into one Parent and Community Involvement Department. p. 136	Complete	\$0	\$0	\$0	SAISD no longer has Career Education, Community Education, or Student Service departments. Under the present organization, the district has a coordinator of parental involvement who oversees Family Services. Principals supervise the School Service worker at their school.
	Totals - Chapter 3		\$0	\$0	\$0	

Chapter 4 - Personnel Management

25	Implement a staffing allocation formula for all staffing categories and reduce staffing. p. 146	Complete	\$29,105,271	\$5,821,054	\$29,105,271	SAISD implemented staffing allocation formulas for all staffing categories. The district used these formulas to eliminate 211 positions in 2001-02.
26	Eliminate one director position in the Personnel Office. p. 151	Complete	\$256,239	\$91,312	\$456,562	SAISD eliminated two directors' positions and reduced the assistant superintendent

							position to executive director.
27	Track recruiting efforts by event to measure effectiveness. p. 155	Complete	\$0	\$3,483	\$17,417	District recruiting begins in February each year. The district developed and uses an applicant tracking form. Recruiting staff compiles a report at the end of the recruiting season to measure the effectiveness of the recruiting efforts.	
28	Proactively recruit more experienced teachers to fill vacancies. p. 159	Complete	\$0	\$0	\$0	The percentage of teachers hired with three or more years of experience increased in both elementary and secondary positions.	
29	Track the reason for teacher turnover and develop a formal turnover reduction plan based on the results. p. 160	Complete	\$0	\$0	\$0	The district uses a form in exit interviews to determine reasons employees leave the district. Staff compiles reasons for leaving into a spreadsheet. SAISD reviews the data at mid-year and at the end of the fiscal year. The district will create a formal reduction plan by the end of 2002-03. The use of this data, in conjunction with eliminating block scheduling and a reduction in force because of a drop in attendance, has effectively eliminated the teacher turnover problem.	
30	Establish policies and procedures that address excessive absences. and	Complete	\$0	\$0	\$0	Schools have initiated incentive plans to encourage better teacher	

	provide incentives for teachers with good attendance. p. 162					attendance. Each school developed its own retention plan. Incentives include gift certificates for food, manicures and clothing; dress down days; getting a half day off at no charge to leave balances; a free breakfast or lunch; cash (provided by PTO fund raising); and coming in late or leaving early.
31	Consolidate salary schedules. p. 169	In Progress	\$0	\$0	\$0	The board chose to eliminate salary schedules for administrators and replace them with salary ranges in 2001. The district made additions and revisions to other schedules as needed. TASB will conduct a board-approved salary study in 2002-03. The district is hoping to implement the results of the TASB study in 2003-04.
32	Coordinate training efforts with Region 15 and eliminate duplicate in-house staff development training sessions when Region 15 can provide the same training. p. 173	Complete	\$0	\$0	\$0	SAISD uses Region 15 for most staff development. The district has eliminated duplication of training. Region 15 has been very supportive and has taken a leadership role in assisting the district in getting the training its staff needs.
Totals - Chapter 4			\$29,361,510	\$5,915,849	\$29,579,250	
Chapter 5 - Facilities Use and Management						
33	Develop a comprehensive long-range facilities	In Progress	\$0	\$0	\$0	The board created a committee to develop a

	master plan. p. 184					comprehensive, long-range facilities master plan. The district issued a request for quotations (RFQs) for a facilities study in January 2003. Fifteen firms responded and central office administrative personnel conducted an evaluation of the proposals. The RFQ committee selected six firms to be interviewed by the administration. The administration narrowed the list to three firms for the board to interview. The board conducted the interviews on February 26, 2003 and February 27, 2003 but postponed a decision until March 17, 2003. In March 2003 the board decided to conduct a facilities planning workshop before making any final decisions.
34	Close one elementary school and adjust attendance zones to allow enrollment at other smaller elementary schools to be increased. p. 188	Complete	\$721,372	\$360,000	\$1,800,000	The district closed Day Elementary in fall 2002. The district projects savings from the closure at \$360,000 per year. The district has also leased the old school to a Head Start program, which results in monthly rental fees to the district of \$5,500.
35	Develop and maintain educational	Complete	\$0	\$0	\$0	The facilities director completed this study and is

	capacities and utilization rates for each classroom and grade level at each school. p. 190					continually updating it.
36	Establish a district policy governing the use of portable classrooms. p. 192	In Progress	\$0	\$0	\$0	The district has not established a formal policy yet. It sold four portables in 2001-02 and is working toward eliminating the use of portables entirely. The development of a policy and an approach to portable use is part of the uncompleted facilities study. The decline in the number of students each year is also impacting the use of portable buildings by the district.
37	Establish a procedure to engage professional consultants to evaluate the suitability of potential building sites before purchasing and improving them. p. 193	In Progress	\$0	\$0	\$0	A procedure is in place for acquiring and developing future school sites. This recommendation was in response to a specific incident where the district spent \$500,000 on developing a site that it later abandoned.
38	Develop a board policy stating that companies owned by district employees are not eligible to participate in any construction projects funded by the district. p. 194	In Progress	\$0	\$0	\$0	No sample policies are available from TASB for this recommendation. This recommendation stemmed from a single incident that the district has subsequently corrected. The district has been unable to find a policy that deals with the problem of local companies

						working for the district when they have relatives also working for the district. The district is continuing to look for an example of a policy that also recognizes that local conditions sometimes require them to use a local company with ties to district employees.
39	Develop a procedure that clearly defines how construction services consultants are to be engaged, the scope of services expected and the range of fees based on the scope of work. p. 195	In Progress	\$0	\$0	\$0	The district follows procedures outlined in the Financial Accountability System Resource Guide, Update 10, and Board Policy (CV Legal and Local) for procurement of services to be sure that the district follows proper bid procedures in selecting qualified consultants. SAISD prepares RFPs and RFOs and follows guidelines for each category when selecting all consultants and services. The district will specify scope of services in the bid documents and will adhere to the scope in the selection process. The district requests a fee schedule prior to engaging the services of an individual or company.
40	Use local construction cost data and historical school district construction costs	Complete	\$0	\$0	\$0	The district no longer does construction projects internally. Board policy states that all

	when preparing construction budgets for a bond program. p. 196					construction projects should be bid out locally. The district is not doing any construction because they continue to lose students.
41	Renegotiate the contract between SAISD and Angelo State University for the use of San Angelo Stadium. p. 197	Not Implemented	\$20,000	\$0	\$0	The district and ASU have a five-year contract that they signed prior to the release of the report. The agreement expires in summer 2006. The district is considering some changes for the future, but it has chosen not to renegotiate the contract at this time.
42	Hire an energy manager. p. 208	Not Implemented	(\$222,642)	\$0	\$0	The district could not afford to hire an energy manager after the reductions to employee budgets.
43	Continue to partner with SECO to develop energy conservation projects beneficial to the district. p. 209	In Progress	\$0	\$0	\$0	The district gives SECO materials to each school annually. The current RFP for facilities plan includes the development of an energy plan.
44	Involve schools in energy conservation. p. 211	In Progress	\$36,500	\$0	\$0	SAISD sent introductory WATTEAM information to all school administrators in November 2001. The district instructed each school to select school contact persons. The school contact person establishes school teams, training, disseminates future

						information and literature and provides the maintenance department with monthly reports and updates regarding the specific energy conservation activities. The district distributed information packets to each school in January 2002. Shortly after the implementation of the WATTEAM Program, the deregulation of the electric companies took place. Prompt billing and billing irregularities became the norm. The maintenance department was no longer able to provide the campuses with accurate energy conservation data. School participation started to decline as correct data became more difficult to provide. The program was put on temporary hold in June of 2002. The district re-activated the WATTEAM Program in 2003.
	Totals - Chapter 5		\$555,230	\$360,000	\$1,800,000	

Chapter 6 - Asset and Risk Management

45	Restructure the compensating balance agreement and sweep daily bank balances into overnight investments. p. 220	Rejected	\$72,490	\$0	\$0	San Angelo National Bank refigured this recommendation three ways for the district. The bank found only insignificant differences between the proposed changes and the
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						district's current money management practices. The board voted to keep its existing money management practices.
46	Centralize the activity fund accounting and combine all 36 activity fund bank accounts into one account. p. 223	Rejected	\$9,975	\$0	\$0	The board rejected this recommendation because schools need to have daily access to these funds. The district comptroller will implement uniform procedures and accounting systems at all schools.
47	Document a procedure to place all cash receipts into the fireproof safe until picked up either by the armored car or deposited in the bank. p. 225	Complete	\$0	\$0	\$0	The district completed documenting a procedure in July 2002, according to district comptroller. The district now stores all cash in a locked fireproof safe if the cash remains in the district overnight.
48	Develop and implement cash flow forecasting policies and procedures to portray the district's cash position monthly, quarterly and annually. p. 226	Complete	\$0	\$0	\$0	The spreadsheet that the district was using in 2000-01 was from TEA's Web site. The district only enhanced it by adding the object codes. The monthly projections of revenue and expenditure are on it now and the district adjusts them with actual figures monthly.
49	Establish a committee to review the state health plan and devise a plan of action. p. 235	Complete	\$0	\$0	\$0	SAISD formed an Employee Benefits Committee in 2001-02 to consider information and provide feedback on

							the employee health plan. The superintendent reviewed all committees and their structures in the summer and early fall of 2002 and developed a communications model that combined all employee committees into one. This committee then developed a plan of action concerning the state plan.
50	Create a workers' compensation task force to identify cost saving measures. p. 237	In Progress	\$0	\$0	\$0	The status of the workers' compensation program is being communicated to the superintendent and board through the Superintendent's Friday Facts. The superintendent reviewed all committees and their structures in summer and early fall 2002 and developed a communications model that combined all employee committees into one. The first committee meeting was in November 2002. The committee will develop ways to reduce workers' compensation claims, which had previously totaled \$1 million annually.	
51	Dedicate sufficient staff to manage the district's fixed assets and increase accountability. p. 240	Complete	\$0	\$0	\$0	In summer 2000, SAISD assigned one of the personnel within the existing distribution staff the responsibilities of	

						fixed assets. The district then transferred that position to the purchasing department.
52	Assign principals and department heads individual custody for fixed assets. p. 241	Complete	\$0	\$0	\$0	After SAISD developed the fixed asset procedures, staff trained school administrators in August 2002 concerning their responsibilities and requirements for fixed assets at their locations.
53	Complete all the data fields on the fixed asset system to properly account for all the district's fixed assets. p. 242	In Progress	\$0	\$0	\$0	The district is evaluating how to integrate the three software packages it has and assessing what kind of software upgrade they need to do to complete this recommendation. The district expects to have specifications developed by late spring 2003.
54	Perform a physical inventory to determine the value of the district's property, plant and equipment. p. 243	Complete	\$0	\$0	\$0	The district hired a company to perform the inventory in summer 2001. The district developed procedures for updating the inventory and continues to update the inventory as changes occur.
55	Train all principals and department heads to conduct their own inventories of fixed assets using the bar coding system. p. 244	Complete	\$0	\$0	\$0	SAISD developed procedures that allow principals to conduct their own inventories. The district is hosting training sessions during the school year. This will allow for a more accurate

						and timely accounting of the assets. The district also plans to upgrade its system for using bar codes in 2002-03.
56	Conduct a monthly reconciliation of the fixed asset system to the general ledger. p. 246	Complete	\$0	\$0	\$0	The district comptroller reconciles the fixed asset system to the general ledger monthly.
Totals - Chapter 6			\$82,465	\$0	\$0	

Chapter 7 - Financial Management

57	Establish a general fund balance management policy and require reports to the board. p. 261	Complete	\$0	\$0	\$0	The district maintains the TEA's optimum fund balance. The Comptroller provided training for the board on issues related to managing a fund balance. The board established designations of fund balance in October 2002. SAISD's fund balance in 2001-02 was 15.4 percent.
58	Prepare monthly projections of revenues, expenditures and cash flows and compare to budgeted amounts. p. 262	Complete	\$0	\$0	\$0	This is being done on the Cash Flow Worksheet that the district uses. This recommendation is linked to Recommendation 48.
59	Provide the board's Finance Committee with detailed financial reports every month. p. 267	Complete	\$0	\$0	\$0	The district has provided detailed financial reports since 1997. The district provides interim financial statements to the external auditor.
60	Include the Finance Committee report as an agenda item at every board meeting. p. 268	Complete	\$0	\$0	\$0	The superintendent gives financial reports to all board members through Friday Facts. The Finance Committee

						report is included on all board agendas.
61	Ensure that audit adjustments are made in the general ledger and audited fund balances are used to formulate budgets. p. 269	Complete	\$0	\$0	\$0	The district added the audited fund balances as soon as the board adopted the audit in 2000-01. SAISD repeated this same process in 2001-02.
62	Implement performance-based budgeting and provide training to district staff. p. 270	In Progress	(\$3,800)	\$0	\$0	SAISD provided training on program budgeting to district staff in February 2003.
63	Eliminate the annual auto allowance for the assistant superintendents. p. 272	Complete	\$90,000	\$0	\$90,000	The district eliminated the auto allowance at the beginning of 2001-02. No district employee receives an auto allowance anymore.
64	Use the full capabilities of the financial accounting system's position control module. p. 273	Not Implemented	\$0	\$0	\$0	The district had set up training for October 2002, but the module does not provide the expected functions. Other districts that use this software confirm that the Position Control module does not work. Pentamation is aware of this and is working on new developments. In speaking with other districts, SAISD found that districts using this software had to dedicate a full-time programmer to keep the software working.
65	Update the Business and Finance Department's accounting procedures manual.	In Progress	\$0	\$0	\$0	The district is soliciting input from its employees and the employees of other school districts. The district

	p. 277						hopes to create an efficiently documented procedures manual. The district is working toward putting the accounting procedures on line through the Harvest Portal.
66	Reconcile all district bank accounts and make necessary corrections within 30 days following receipt of bank statements. p. 278	Complete	\$0	\$0	\$0	The district reassigned this task to a different staff member who now performs the reconciliations on a monthly basis.	
67	Restrict Accounts Payables ability to create new vendors in the district's financial accounting system. p. 279	Complete	\$0	\$0	\$0	The district revised its procedures and included them in the purchasing manual. The Purchasing Department sets up all new vendors in the accounting system; accounts payable no longer can set up new vendors.	
68	Require all checks above \$5,000 to be approved by the assistant superintendent of Business and Finance and randomly select checks for review by the comptroller. p. 280	Complete	\$0	\$0	\$0	The district eliminated the position of assistant superintendent for Business and Finance and assigned the approval function to the director of Financial Services. The district comptroller randomly reviews documentation for checks exceeding \$5,000.	
69	Require accounting staff to test all revisions and upgrades to software prior to installing the	In Progress	\$0	\$0	\$0	Implementation has been difficult because of time constraints. The district is working on a workflow	

	upgrades in the district's financial accounting system. p. 281					process for implementation. The district created the position of Support Services Technology Specialist to expedite technology change in the district.
70	Institute bi-weekly staff meetings for the Business and Finance Department and circulate minutes. p. 282	Complete	\$0	\$0	\$0	The entire Support Services Department meets weekly on Mondays at 2 pm. The meeting includes 13 department heads, has a weekly agenda and lasts 30 minutes.
71	Provide training to accounting staff and assign a full-time technology support staff member to the accounting system. p. 283	Complete	(\$3,600)	\$0	\$0	The district assigned a technology staff member to the Business Office. This staff member conducts ongoing training for the Business Office.
72	Redistribute duties between the accounts payable clerks including receptionist duties. p. 285	Complete	\$0	\$0	\$0	The district reorganized its Finance Department in February 2001 to increase the department's efficiency. The department redistributed duties. The district eliminated the receptionist position during its reduction in force efforts. The review team included the savings associated with the position in its staff reduction recommendation.
73	Distribute updated account code listings to all staff that use account codes. p. 286	Complete	\$0	(\$1,200)	(\$1,200)	The district gave updated listings to all staff who use account codes during budget training. The district

							sent its accounting staff to training at Region 15. TASBO gave the staff coding training in November 2002.
74	Provide access to the payroll module to only staff authorized to make changes to the data. p. 288	Complete	\$0	\$0	\$0	The district redistributed job duties between Personnel and Payroll to ensure proper internal controls. Now only staff authorized to make changes to the data have access to the data.	
75	Hire an internal auditor that reports directly to the Board of Trustees. p. 290	Not Implemented	(\$233,576)	\$0	\$0	Due to staff reductions, this item is not currently feasible under budget constraints.	
	Totals - Chapter 7		(\$150,976)	(\$1,200)	\$88,800		

Chapter 8 - Purchasing and Warehouse

76	Prepare competitive bids for goods and services acquired for \$25,000 or more in the aggregate per year, and hold budget heads and the Purchasing Department responsible for compliance with competitive bidding provisions of the Texas Education Code. p. 302	In Progress	(\$7,505)	\$0	\$0	The district provided training on the purchasing procedure manual to purchasing staff in August 2002. Almost all district managers attended the training. The district now routinely prepares a list identifying purchases that exceed \$10,000 in aggregate to ensure compliance with bid regulations and laws.
77	Develop a purchasing procedures manual and provide training to all district staff on purchasing policies, procedures and practices. p. 305	Complete	\$0	\$0	\$0	The district developed its purchasing manual and trained staff on August 28 through 30. The district will repeat the training annually.
78	Implement a	In Progress	\$0	\$0	\$0	In 2001-02 the

	procurement card system that has adequate controls over expenditures. p. 307					district collected all credit cards from district staff. The interim superintendent collected 60 MasterCard cards. The district is investigating options for a procurement card system that staff could use at multiple vendor sites. BuyBoard company has a card the district is going to pursue more information about. The district implemented a procurement card system in November of 2002 for the purchase of grocery items from HEB. The district will establish guidelines and provide training for all personnel that use the cards.
79	Develop a travel manual that clearly explains travel policy guidelines for both state and local funds. p. 309	In Progress	\$0	\$0	\$0	The district has not developed the manual but has distributed the updated information. The district developed a written policy to address this issue. The district will include a travel policy in the new budget manual, which it will complete in spring 2003.
80	Eliminate the use of "call-in" purchase orders. p. 311	Complete	\$0	\$0	\$0	The district eliminated the "call-in" purchase orders and altered the approval levels to provide quicker access to purchase orders. With the exception of

							purchase orders for technology, the district approves purchase orders within one day.
81	Centralize purchasing under the director of Purchasing and transfer the Distribution Center clerk to the Purchasing Department. p. 312	Complete	\$0	\$0	\$0	The district closed the warehouse in the first quarter of 2003. The district transferred the fixed assets coordinator to the Purchasing Department. The district eliminated three positions in the warehouse. The district moved the fixed assets function to Purchasing, transferred the warehouse supervisor into a safety and compliance position and reassigned the two remaining positions to assist Food Service and Maintenance.	
82	Participate in more purchasing cooperatives. p. 313	Complete	\$0	\$0	\$0	The board approved interlocal agreements with TASB, Buy Board, TBPC, TCPN, HGAC and Multi-Regional Co-op in August 2002.	
83	Eliminate the district's central supply service and order supplies on a just-in-time (JIT) basis. p. 317	Complete	\$405,163	\$210,816	\$597,094	The district eliminated the central supply service in February 2003. SAISD also eliminated a supervisor, a secretary and two clerks for an initial savings of \$96,102 and a five-year savings of \$480,510. The district reduced selected inventory while piloting the JIT program. The district has only	

						successfully tested small groups with limited funds. Starting in 2002-03, the district is using Office Depot online ordering and direct shipping. The district will be adding a similar procedure with Concho Business Solutions. The remaining savings are the result of JIT purchasing savings.
	Totals - Chapter 8		\$397,658	\$210,816	\$597,094	
Chapter 9 - Computers and Technology						
84	Establish a committee to evaluate the connectivity option for the district's elementary schools and integrate an improvement plan into the 2002-04 technology plan and budget. p. 329	Complete	\$0	\$194,000	\$436,000	The board chartered a Technology and Learning Steering Committee (TLSC) in 2001. The TLSC developed and published a comprehensive plan, Connecting Learning with Life, which outlines the district improvement opportunities to enhance learning for all children in all schools. The board approved the plan through 2004. The district also established an Internet Task Force (ITF) to identify connectivity options for Internet filtering. The outcomes of both the TLSC and ITF were to connect all of the elementary schools in the district to the district's metropolitan area network using wireless-wide-area network (WWAN) technology. The

							district used a Telecommunications Infrastructure Fund Board Special Grant to begin this implementation. The district is implementing WWAN connections at six elementary schools during 2003.
85	Allocate instructional computers to schools based on desired student-to-computer ratios. p. 332	Complete	\$0	\$0	\$0	The district's educational technology goals for 2003 were to have a minimum of four multimedia computers (1 teacher, 3 students) in every classroom and it has achieved this goal. The Connecting Learning with Life roadmap aligns the district's educational technology and learning goals with the Texas Long-Range Plan. The district roadmap outlines a strategy to have a 1:1 student-computer ratio by 2008 across grades 1 to 12.	
86	Consolidate SAISD's telecommunications planning, budgeting, operation and maintenance support and assign these responsibilities to the Technology Department. p. 333	Complete	\$0	\$0	\$0	The district consolidated all technology functions into the Technology Department in August 2002.	
87	Review telephone line usage and install a more efficient telephone system with enhanced	In Progress	\$301,150	\$21,600	\$108,000	SAISD budgeted funds to begin this process. The Technology Department has piloted a more cost-	

	capabilities. p. 334					effective and efficient voice communications solution for the entire district. The pilot was successful and fully demonstrated the cost-reductions for the school district. The district also eliminated all pagers and most cell phones.
88	Hire a full-time grant writer to focus on pursuing grants to expand technology capabilities. p. 338	In Progress	\$1,575,000	\$750,000	\$750,000	The district retained grant-writing services through June 2002. The grant-writer aided the district in securing two Telecommunication Infrastructure Fund grants for 16 schools. The district administration has elected to retain grant-writing services on an as-needed and programmatic basis, so it cannot estimate future grants.
89	Identify funding strategies to enable full funding of the district's long-range technology goals and dedicate money obtained through the E-rate and other grants to this end. p. 340	In Progress	\$0	\$0	\$0	The Technology Department is working with curriculum and federal program administrators to advance and evolve the technology and learning programs of the district. Currently, the district is using all monies discounted or refunded from E-Rate eligible services to enhance and support the district's technology infrastructure.
90	Form a technology instructional	In Progress	\$0	\$0	\$0	This recommendation is

	planning group for each school level to establish instructional technology priorities. p. 341					connected with Recommendation 85. District-level planning is complete. Implementation and monitoring of the district technology plan is underway. Schools are modeling their technology plans on the Texas Campus STaR Chart and the district technology plan. Each school addresses its technology planning as a component of the School Improvement Plan.
91	Establish a mandatory technology training certification program. p. 344	In Progress	\$0	\$0	\$0	The resources identified to implement this as recommended no longer exist. The district is reviewing and expanding this recommendation to meet the No Child Left Behind legislation requirements for professional development and educator preparation. The district is also planning to train 40 teachers through Intel Teach.
Totals - Chapter 9			\$1,876,150	\$965,600	\$1,294,000	
Chapter 10 - Transportation						
92	Develop incentives to reduce absenteeism. p. 357	Complete	\$49,815	\$9,963	\$49,815	The district distributes a monthly employee newsletter. The district acknowledges employees with perfect attendance for a 30-day period in the newsletter. At

							the end of the school year, the employees with the least amount of absenteeism for the school year will receive a reward of a perfect attendance pin or a gift certificate. The savings relate to the reduced need for substitutes.
93	Formalize the dispatch operations, including procedures and add a dispatcher. p. 359	Complete	(\$68,490)	(\$3,572)	(\$17,860)	The district added a dedicated dispatcher to the Transportation Department. Due to budget constraints, a substitute driver filled the position. The dispatcher works from 8:00 a.m. to 12:00 p.m. and from 1:00 to 5:00 p.m. The district updated phone and radio logs to keep track of departmental traffic. When the dispatcher must drive a bus due to lack of substitute drivers, the office staff covers the dispatching duties.	
94	Develop goals, objectives and performance measures to support the department's mission. p. 361	In Progress	\$0	\$0	\$0	Beginning in August 2002, any driver who has an accident receives mandatory retraining. The district has also established several performance indicators but has not gathered sufficient data to establish their effectiveness or accuracy.	
95	Stagger bell times to improve the performance of SAISD regular bus routes. p. 365	Complete	\$399,135	\$79,827	\$399,135	SAISD implemented a three-tier bell system at the beginning of 2002-03. Because of this	

						system, the district will save \$399,135 in staffing costs over a five-year period. Regular bus route attendance has increased from 1,800 students per day to 2,500 students per day. The three-tier bell system enables the district to be more flexible when transporting elementary students. SAISD currently has ten 77-passenger buses that service only secondary schools. Staggered bell times increased ridership most significantly at the junior high level.
96	Automate Transportation routing and scheduling. p. 367	Complete	(\$3,445)	(\$12,900)	(\$32,900)	The district upgraded its existing Edulog system to the new Edulog NT system on October 10, 2002. The Transportation Department began using the program on March 3, 2003.
97	Implement an extracurricular trip policy to manage extracurricular resources effectively. p. 370	Complete	\$370,159	\$5,400	(\$27,000)	The district discourages local extracurricular trips during peak hours, which are from 6:30 to 8:30 a.m. and from 2:30 to 4:30 p.m. SAISD moved all junior high athletics transfers from 3:00 to 4:00 p.m. and assigned each junior high a bus for these transfers. Coaches drive these buses. The district also discourages elementary travel on

							Friday because of the large number of athletic events.
98	Develop an extracurricular trip management program to automate trip requests, automate trip scheduling and track the actual costs of extracurricular trips. p. 373	Complete	\$0	\$0	\$0	SAISD uses a Trip Tracker System. The Trip Tracker System tracks all in-town and out-of-town trips for co-curricular and extracurricular travel. The Technology Department has developed a trip request program that uses the SAISD Web site. School administrators will have the capability to request transportation electronically. Staff must use this system to request bus transportation.	
99	Develop a more aggressive preventive maintenance program that includes the general service fleet. p. 376	In Progress	\$0	\$0	\$0	The district will institute the Q-quest program pending technology support. Q-quest is a maintenance program that tracks repairs, preventive maintenance and schedules. The district will also attempt to attach it to its fuel program to track mileages and schedule vehicle service.	
100	Adopt a vehicle replacement plan that reduces the spare ratio and commits funds to the plan annually. p. 379	In Progress	\$439,140	(\$315,000)	(\$1,575,000)	Pending the board's annual approval, the district will begin replacing vehicles after 14 years of service. The district's use of staggered bell times has reduced the number of spare buses by five units while enabling the	

						district to add three new routes. The cost of this recommendation represents reducing the age of all buses by replacing them earlier than originally called for with a 17-year replacement plan.
101	Modify the motor coach vehicle replacement schedule and implement a capital revolving account to replace the motor coaches every 15 years. p. 382	Complete	\$62,400	(\$490,000)	(\$490,000)	Current motor coach replacement schedules are at 20 years with unlimited mileage. The district feels the 20 years would be more cost effective than 15 years due to the up front cost of the coaches. The district bought five later model coaches in 2002-03 to replace older models. With a 20-year replacement cycle, this district will replace coaches again in 2010. The district chose this approach to solve the problem rather than establishing a capital revolving account.
102	Investigate coordinating with other districts in Tom Green County to provide expanded driver training and retraining. p. 385	Complete	\$0	\$0	\$0	The district applied to the Texas Association for Pupil Transportation (TAPT) for a chapter affiliation. The Regional Chapter will incorporate counties and school districts in Region 15. TAPT provides all school districts with up-to-date information pertaining to national, state and area laws and regulations

						regarding the operation of buses on Texas Highways. TAPT also provides training on TEA rules and regulations regarding operation of buses. SAISD has been a member of TAPT for more than 15 years.
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	Totals - Chapter 10		\$1,248,714	(\$726,282)	(\$1,693,810)	
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Chapter 11 - Food Services						
103	Develop strategies to increase the identification of eligible students for free and reduced-price meal benefits. p. 403	Complete	\$703,424	\$33,396	(\$378,972)	The district used the following strategies to identify students who are eligible for free and reduced-priced meal benefits: new Horizon software to track eligibility from year to year; implemented the use of Direct Certification; scheduled additional media appearances and conducted a mailing to households; and coordinated efforts with school administrators and at-risk coordinators to assist in obtaining meal applications from students who qualified based on previous year eligibility. These alternate strategies produced a 1 percent increase in free and reduced eligibility despite enrollment declines in 2001-02. A current analysis for the 2002-03 school year reveals a decline in eligibility counts of 3.64 percent, but

							enrollment declined 5.1 percent since 2000-01. The new efforts did increase the awareness of the importance of identifying all students eligible for meal benefits and the impact this identification has on compensatory funding. The projected losses in compensatory funding could have been greater if the district had not begun using these strategies.
104	Increase overall breakfast participation at all campuses through implementation of innovative strategies. p. 406	Not Implemented	\$47,124	\$0	\$0	The district is evaluating this recommendation. Barriers to overcome before the district can implement this recommendation include site schedules; inadequate facilities and storage space at schools sites and the Food Service Warehouse; lack of personnel to implement an expansion program; and loss of enrollment.	
105	Develop and implement a comprehensive nutrition program for SAISD students.p. 407	Complete	\$0	\$0	\$0	TEA conducted Nutritional Analysis Audit in December 2001. The audit found all areas it reviewed to be in compliance with USDA standards. The district distributes nutritional information to students monthly through the school	

						menus. A partnership with Tooned-In Menus provides colorful, professional type menus for all elementary students at no expense to the district. This partnership has been in place since 1996-97. Each menu provides a nutritional activity or lesson.
106	Install a point-of-sale cash register system and provide training to cafeteria staff. p. 410	Complete	(\$144,625)	(\$71,919)	(\$71,919)	All 20 elementary schools began operating a point-of-sale system in fall 2002. The district has scheduled all junior high schools and high schools to be operating point-of-sale systems by May 2003.
107	Compile and distribute accurate and detailed campus-specific financial and performance reports to cafeteria managers on a quarterly basis that agree with actual accounting records. p. 412	Complete	\$0	\$0	\$0	The accounting period changed to follow financial cycles of accounting department in 2000-01. The accounting cycle for all Food Service reports will reflect data for September through August. The district distributes a report to cafeteria managers once a month.
108	Allocate an equitable share of building utilities and maintenance to Food Services operations each month. p. 414	Complete	\$662,970	\$244,797	\$611,985	The district charged utility expenses to the Food Service budget in 2000-01 and continues this practice in 2002-03. The review team based the actual savings estimates on the expenditures posted to the Food Service budget as of August 31, 2002.

109	Update the equipment and replacement plan based on priority and Food Services fund availability. p. 416	Complete	\$0	(\$140,276)	(\$140,276)	The district completed all purchases from the original plan as of August 2001. The district completed an inventory for all sites and implemented a tracking system for equipment repairs.
	Totals - Chapter 11		\$1,268,893	\$65,998	\$20,818	

Chapter 12 - Safety and Security

110	Establish a discipline management committee to review incident data routinely and develop a strategic plan to combat escalating occurrences. p. 428	Complete	\$0	\$0	\$0	SAISD established a discipline management committee to meet on each referral to the discipline alternative campus. The district collects discipline incident data and disaggregates it each six weeks broken down by level of discipline and types of infractions. The district established a Title IV Advisory Committee to examine drug and violent offenses. The committee has met, and committee members registered their attendance on sign-in sheets. The Texas Behavior Support Initiative has a staff person training a committee of staff people on each campus on intervention techniques. The committee is comprised of administrators, teachers, counselors and police officers. It works to combat escalation
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						occurrences. This committee studies the discipline reports and makes plans for amelioration. In addition, principals discuss their campus discipline report at their semi-annual accountability meetings. After examining the district discipline reports, the director of Pupil Services convened a districtwide committee to revamp the SAC and Carver policies. The district added these changes to the Code of Conduct in 2002-03.
111	Formalize the relationship with area law enforcement by developing a memoranda of understanding (MOU) with the police department and written contracts specifying police officers' duties. p. 432	In Progress	\$0	\$0	\$0	By agreement of both entities, they will not sign a formal MOU during 2002-03. The district is still investigating this arrangement. Officers who currently work in the district informally automatically become police officers as soon as they note criminal activity. The district pays the officers \$15 an hour, a significant cost savings to the district.
112	Instruct the Building Maintenance Department to conduct a facilities audit to determine safety and security weaknesses and	Complete	\$0	\$0	\$0	The district included this in the RFP for facilities plan. The Building Maintenance Department addresses safety issues within a 24-

	prepare a long-range plan to eliminate unsafe conditions. p. 433					hour period depending on the degree of the safety issue.
	Totals - Chapter 12		\$0	\$0	\$0	
	TOTAL		\$38,774,322	\$8,612,297	\$42,147,597	