

ONE-YEAR REPORT

Children First



**A Report On The
HOUSTON INDEPENDENT
SCHOOL DISTRICT
By The Texas Performance Review**

JOHN SHARP • TEXAS COMPTROLLER OF PUBLIC ACCOUNTS



October 30, 1997

The Honorable George W. Bush
The Honorable Bob Bullock
The Honorable James E. "Pete" Laney
Members of the 75th Texas Legislature
Commissioner of Education

Dear Ladies and Gentlemen:

I am pleased to present this report on the one-year progress of the Houston Independent School District (HISD) in implementing my *Texas School Performance Review's* comprehensive report, *Children First*, authorized by Senate Bill 1, adopted by the 74th Legislature in 1995.

As with all our reports, *Children First* sought ways to move scarce education resources to the classroom, rather than wasting them on red tape and paperwork. In short, as the title suggests, we gave the district 228 detailed recommendations designed to direct the district's every effort toward serving the educational needs of the students who attend Houston schools.

So far, the results have been outstanding, but the first year marks only the beginning of change in the district. Within the last year, the district has completed 85 percent of the recommendations, and another 13 percent are underway, already saving Houston area taxpayers \$8.2 million. In fact, over the next five years, district officials estimate savings of nearly \$119 million, which would exceed my original five-year projections of \$116 million. HISD's projected reinvestments over the same time period of \$41 million are somewhat less than my recommendation of \$46 million.

However, I caution that this is only the first year of a five-year implementation schedule. Unless the next four years are just as productive as the first, HISD will have wasted this opportunity. Much work remains ahead of the district. There are still far too many administrators and bureaucrats in the district. The district has failed to invest in its aging bus fleet, a key safety issue. And far too many children are still being taught by uncertified teachers. While the district is to be commended for taking these initial steps to ensure that children come first in the Houston public schools, both the district and the community must remain diligent to make sure that the progress made in the last year is not lost.

Sincerely,

JOHN SHARP
Comptroller of Public Accounts

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Children First: A One-Year Progress Report

“If a nation expects to be ignorant and free, it expects what never was and never will be.”

Thomas Jefferson, 1816

The *Texas School Performance Review* (TSPR) has spent the past seven years helping local school districts rise to the challenge implicit in Thomas Jefferson’s words. If nations cannot long survive without quality education, neither can local communities. Yet, efficient and effective schools are increasingly difficult to achieve at a time when resources are spread thin across the wide array of public demands.

That’s why TSPR looks for every possible way to help school districts spend their scarce education dollars in the classroom, rather than on red tape, paperwork, and needless bureaucracy.

Created by state lawmakers as part of the State Comptroller’s office in 1990, TSPR fields invitations from public school districts of every size and shape — large or small, rich or poor, rural or urban. Each review team settles in for months of detailed study, at no extra charge to district taxpayers. With the help of outside management experts, we consult a wide range of community groups, business leaders, students, parents, teachers, principals, and administrators. We solicit suggestions from front-line district employees and ask students for their best ideas. We hold public meetings, arrange special focus group forums, and conduct private interviews. And we encourage every concerned citizen to call our toll-free 1-800-BEAT-WASTE hot line to share their thoughts and suggestions.

TSPR’s goal is to come up with ways to hold the line on costs, reduce administrative overhead, streamline operations, and improve educational services — in short, to help school districts operate more efficiently and effectively

with available resources. Most of the Comptroller’s recommendations come directly from teachers, parents, students, and others who live or work in the district. TSPR has found that these hard-working folks have often known for years what would help them improve their schools, if only someone would ask. The Comptroller *asks*.

Since 1991, TSPR has offered nearly 2,600 detailed ways to save taxpayers nearly \$300 million in 25 public school districts throughout Texas. And TSPR has done all this without ever recommending the firing or laying off of a single classroom teacher.

Districts studied by the TSPR team to date include San Antonio, Richland Springs, San Saba, Cherokee, Lubbock, Victoria, West Orange/Cove Consolidated, Lake Travis, Dallas, Austin, Calhoun County, Midland, Paris, San Marcos Consolidated, Brownsville, Longview, San Angelo, Beaumont, Waco, United in Laredo, Tyler, Houston, Texarkana, Corpus Christi, and Spring. Reviews of the Ysleta and Socorro districts are underway, and Port Arthur, Wimberley, Hamilton, Mount Pleasant, and El Paso ISDs will come under our microscope during the coming year.

In addition, TSPR conducts follow-up reviews of those districts that, in most cases, have had at least one year to implement our recommendations. Because of the sheer size and complexity of HISD, a six month review was conducted in an effort to not only keep tabs on progress, but to assist the district in the monumental task of implementation. The six month review showed that more than 88 percent of

If nations cannot long survive without quality education, neither can local communities.

TSPR's combined proposals had been acted upon, with projected savings to local taxpayers of nearly \$74 million. The one-year review showed that 85 percent of the combined proposals are complete and 13 percent are in progress,

Many of our recommendations aren't simply cost-cutting measures or easily quantifiable in dollar terms. Some have no direct fiscal effect at all, while others call for increased spending to attract greater public and private funding. All,

HISD One-Year Progress Report

| Chapter/Title | Total | Complete | In Progress | Rejected |
|--|------------|------------|-------------|-----------|
| 1- District Organization and Management | 19 | 13 | 4 | 2 |
| 2- Educational Services Delivery and Performance | 27 | 25 | 2 | 0 |
| 3- Community Involvement | 25 | 21 | 2 | 2 |
| 4- Personnel Management | 17 | 15 | 2 | 0 |
| 5- Facilities and Energy Management | 32 | 28 | 3 | 1 |
| 6- Asset and Risk management | 14 | 12 | 2 | 0 |
| 7- Financial Management | 15 | 14 | 1 | 0 |
| 8- Purchasing and Warehousing Services | 15 | 13 | 2 | 0 |
| 9- Information Services | 14 | 13 | 1 | 0 |
| 10- Food Services | 13 | 13 | 0 | 0 |
| 11- Transportation | 30 | 20 | 10 | 0 |
| 12- Safety and Security | 7 | 7 | 0 | 0 |
| Total | 228 | 194 | 29 | 5 |
| Percentage of Total | | 85% | 13% | 2% |

with projected savings to local taxpayers of nearly \$78 million.

It's important to note that TSPR's work is not a financial audit in the traditional sense. Our purpose isn't to uncover financial wrongdoing or other potential criminal activities. Instead, each school performance review tries to show participating districts how they might accomplish more with the same money. Our team has recommended ways to streamline administrative functions, improve transportation and food service, reduce the cost of the crossing guard program, reduce maintenance costs, and more efficiently manage facilities. We've proposed better strategic planning, and automation of certain district functions.

however, promise improvements in student services and administrative efficiency.

The response to TSPR has ranged from enthusiasm to caution. In one district, the superintendent and a majority of board members signaled their support early on and ultimately went above and beyond the proposals in the Comptroller's report to make major improvements in areas not even suggested. In another, our report was about as welcome as fire ants at a picnic. Yet, even there, district officials eventually recognized the value of TSPR's proposals and achieved impressive results by implementing them. Indeed, most have learned that a TSPR report can serve as a foil against the backlash of unpopular but necessary change. Sometimes,

only an impartial third party is truly able to touch certain “untouchable” topics in a district.

By acting on TSPR’s proposals, all of the districts reviewed to date have cut their operating costs. In Lubbock, for example, then-Superintendent Mike Moses (now the state’s Commissioner of Education) wrote that the 1992 “*Texas School Performance Review* was one of the primary reasons [that] the Lubbock Independent School District was able to regain credibility with this community.”

Anyone seeking detailed information on a particular district’s previous performance review is encouraged to call the Texas School Performance Review toll-free at 1-800-232-8927.

TSPR in Houston, Texas

Most school reviews start with a request from the school board or the superintendent. But TSPR’s look at of the Houston Independent School District (HISD) had a different beginning — namely, the 1995 session of the Texas Legislature, where state lawmakers led by Senator John Whitmire directed the Comptroller to conduct the performance review.

In response, Comptroller Sharp began a six-month review of HISD in early April, 1996. Despite the fact that they had not been invited in by the district, the Comptroller and his team were welcomed warmly, if somewhat apprehensively, by HISD Superintendent Dr. Rod Paige and then-board president Paula Arnold.

The review team targeted 12 areas of operation:

- District organization and management
- Educational service delivery and performance measures
- Community involvement
- Personnel management
- Facilities and energy management
- Asset and risk management
- Financial management
- Purchasing and warehousing services
- Information services
- Food service
- Transportation
- Safety and security

As in previous reviews, the Comptroller’s team drew upon the expertise of outside management consultants. In HISD’s case, the firm of Neal & Gibson reviewed transportation, food

services, and safety and security, while Empirical Management Services conducted public input and reviewed community involvement, and Coopers and Lybrand reviewed all other functional areas of the review.

During district visits, TSPR interviewed representatives from business groups, district employees, school board members, and community leaders. Hundreds of people attended one of the public meetings held in each area district, and hundreds of other concerned citizens responded to a survey published in the *Houston Chronicle*. More than 4,100 community members participated in telephone surveys. Still others responded to 120,000 flyers sent home with students.

What TSPR discovered was a huge urban school district — by far the largest in Texas and the sixth largest in the nation — with a staff of some 22,000 men and women striving to serve more than 205,000 students on 272 campuses spread over an area of 312 square miles, an area almost half the size of Houston itself. HISD’s annual operating budget topped \$1 billion — more than all but a handful of Texas cities.

The district’s student population was 51 percent Hispanic, 35 percent African American, 12 percent Anglo, and 3 percent of Asian or other ethnic descent. About 65 percent of all HISD students were classified as economically disadvantaged. With a student enrollment growing at a rate of more than 6 percent over the last five years, and faced with the resulting overcrowded facilities, the district was about to go to voters with a \$356 million bond proposal. That ballot proposal, in May 1996, was rejected. Then, just days before the beginning of the 1996-97 school year, a roof collapsed at the Houston Gardens Elementary School cafeteria, drawing even further attention to the condition of buildings and other facilities throughout the district.

Ultimately, TSPR’s performance review — *Children First* — contained 228 detailed recommendations, identifying key challenges in each area of the district’s operations. These recommendations promised savings of \$116 million over five years, while calling for reinvestments of \$46 million.

Real change takes more than a year, and that’s why our reports have five-year time frames. HISD will only succeed by keeping up the pressure for progress. So far, however, the results have been outstanding. Within the last

State lawmakers led by Senator John Whitmire directed the Comptroller to conduct the performance review.

year, the district has completed 85 percent of the recommendations, and another 13 percent are underway, already saving Houston area taxpayers \$8.2 million. In fact, over the next five years, district officials estimate savings of nearly \$119 million, exceeding TSPR's five-year projections of \$116 million by some \$3 million. HISD's projected reinvestments over the same time period of \$41 million are somewhat less than TSPR's recommendation of \$46 million.

What still needs to be done?

At a glance, nearly all of the first-year recommendations contained in *Children First*, the Comptroller's comprehensive performance review of HISD, have either been completed or are in the process of implementation.

Only five of the original 228 proposals have been rejected outright, meaning that HISD has at least begun to act upon nearly every suggestion we offered. And even the rejected recommendations received careful consideration before being turned down; in no case does the district's decision not to go with our proposals seem to have been taken lightly or without due deliberation.

Looking deeper, however, some of the 194 recommendations HISD terms "complete" have earned that designation mainly because a short-term solution was found to address an immediate challenge or because specifications and plans to eventually set a recommendation into motion have been developed.

The fact is, a great deal remains to be done to reach TSPR's long-term goals for the Houston Independent School District.

That's why the Comptroller strongly urges the district to ensure that this first-year progress report isn't interpreted as the end of the school performance review process, but rather as a good start toward the kind of lasting reform that will propel the district to the forefront of public education.

There's a specific precedent for our caution. In 1992, TSPR's performance review of the Dallas Independent School District (DISD) proposed a full range of innovative ways to make the district more efficient and effective. At the end of the first year, the district reported that 98 percent of those recommendations had been completed. Yet, five years later, DISD again

finds itself in turmoil and facing challenges that could have been avoided had the district not reverted to its old ways the moment TSPR turned its back.

To give Houston students and taxpayers the quality schools they deserve requires a sustained commitment to the recommendations in *Children First*. While this progress report doesn't discuss each stalled proposal in detail, the following are issues on which TSPR encourages HISD to concentrate in the months and years ahead.

Reorganization and streamlining

Children First outlined many ways to reorganize and streamline HISD's organizational structure, allowing the district to have already eliminated, through attrition, 160 of the 320 administrative positions originally recommended. Much remains to be done, however, to complement the district's commitment to site-based decision-making and truly reduce the top-heavy cost of central administration.

TSPR recommended that between 15 and 20 superintendent-level positions should be reduced in rank or eliminated altogether by the second year. HISD has reduced 10 positions during this first year, mostly through attrition. Next year, the district will face the tougher challenge of identifying and eliminating an additional five to 10 high-level administrative positions — not just superfluous job slots, but current positions filled by those about whom HISD officials must make hard choices.

Some of the district's reorganization and streamlining actions are already planned, and guaranteed savings are written into contracts for the implementation of technology improvements. Moreover, increased technological efficiency will bring about a decentralized approach to budgeting, purchasing, and human resources, reducing the need for certain central office staff members. If the district is to follow the spirit of TSPR's recommendations, it will have to further reduce another 150 positions between now and December 1998, when much of the technology improvements are slated to be fully in place.

TSPR urges HISD to guard against the natural tendency of any bureaucracy to justify unnecessary positions or to retain central office personnel even after the new technology makes it possible to move the work to the campus or area district level.

The fact is, a great deal remains to be done to reach TSPR's long-term goals for the Houston Independent School District.

Technology

HISD took TSPR's observations during the six-month review and sought ways to better manage the implementation of the many technology projects underway, including a human resources and district payroll system, a financial and procurement system, upgrades to other existing systems, and more efficient local tracking systems. In the short-run, a number of smaller systems have been developed, plans and specifications for others have been drawn up, and performance guarantees have been written into contracts to accomplish some part of TSPR's suggested change and ensure taxpayer savings.

Many of these recommendations were deemed by the district to be "complete" or significantly in progress, based on the letter of the original proposal. But HISD administrators and TSPR agree that to accomplish the *spirit* of the proposals, these systems must be fully implemented and entire departments reorganized or streamlined to realize the benefits originally envisioned.

The coming year will represent a turning point for HISD. More effective district operations will not be achieved without some disruption, and the need for a little fine-tuning here or an adjustment there will be likely to make the new systems operate efficiently. Fear of change must not be permitted to slow or deter the full implementation of *Children First's* recommendations.

Transportation

In its original report, TSPR pointed out that contracting with outside companies or other local governmental agencies wouldn't produce taxpayer savings; HISD's transportation costs were already lower than the entities examined by the review team. Still, TSPR recommended a number of ways to further improve the efficiency of the district's transportation operations — most of them involving reinvestments to increase the children's safety.

Although HISD adopted a policy to replace its buses and even presented a budget to the board for approval, the district hasn't set aside any additional funds — it's business as usual. Not only does this underscore a serious safety issue, but it is also costing taxpayers more in maintenance expenses and downtime for buses.

HISD currently budgets \$4 million a year for bus replacements — an amount that would indicate that the district plans to keep all of its buses up and running some 10 years past their projected useful lives. Obviously, this is unrealistic and dangerous.

If HISD were to replace one-tenth of its fleet each year, the cost would entail an additional annual reinvestment of \$3 million. Based on the age of the current fleet and years of inadequate transportation budgets, however, HISD now estimates that as much as \$59 million will be needed over the next five years to replace its oldest buses — a number that continues to grow each year the district underfunds its needs in this area.

The Comptroller strongly encourages HISD to increase the budget for the replacement of the old and unsafe buses by \$3 million per year. That way, the majority of buses will be operating at the end of ten years. In the absence of this reinvestment, the district should look without delay for another solution to its aging bus fleet, including the possibility of lease-purchase arrangements.

Teaching Force

In *Children First*, TSPR recommended that the district improve the quality of its permanent substitute teachers (Recommendation #80) and that efforts be made to recruit more qualified teachers (Recommendation #77). While HISD has technically implemented the letter of these recommendations, their spirit remains unenacted. The district's own count shows that it employs more uncertified teachers, or teachers working outside their areas of certification, than any other district in Texas.

The extensive use of permanent substitutes (663 as of March 1997) circumvents the system by allowing men and women without academic degrees or teaching certificates to have long-term instructional assignments in the district. The assumption is that the bureaucracy and the mostly-manual human resources system have made it possible, and even desirable, for some principals to settle for a permanent substitute rather than hiring from a qualified applicant pool.

Having uncertified people pinch-hitting for a day or two when a teacher is absent is sometimes necessary. But no parent knowingly wants his or her child placed in a classroom for an extended

If the district is to follow the spirit of TSPR's recommendations, it will have to further reduce another 150 positions between now and December 1998.

time with a teacher who has no training. HISD should rethink its current processes and move quickly to comply with the spirit, and not just the letter, of TSPR's original recommendations.

Administrative Checks-and-Balances

Children First outlined many opportunities for redefining the roles of the board and HISD's superintendent, and it's important to note that a number of significant steps have been taken to improve the relationships among individual board members and the district's administration. Recent reports from other large school districts of inefficiency or outright abuse of the public trust underscore the importance for HISD of a board that continues to set policy and hold the superintendent and administration accountable.

Maintaining an adequate system of checks-and-balances (in no way a reflection on the current superintendent or his administration) is a prudent practice. Moreover, periodic evaluations and reviews of the superintendent and high level administrators should be accepted for what they are — opportunities to assure the board and the public of the integrity of the district, not as meddling on the part of the board.

If HISD is going to hold campuses accountable for outcomes, campuses must control their funds and resources.

TSPR Key Recommendations

A year has passed since the Texas School Performance Review (TSPR) published *Children First*, the results of its examination of the Houston Independent School District. Administrators and board members alike report that the review accelerated many of the initiatives the district had begun before the review began and that the review has been an effective catalyst for change in the district.

Every HISD employee, whether administrative or instructional, was forced to rethink how they did business. HISD officials told TSPR staff that the report opened a window of opportunity for substantive changes. Saving money was important, but making a change in the culture of a massive organization like HISD required a focused push to make it happen. The TSPR review has provided that push to HISD's own efforts to improve its operations and performance.

After one year, the district staff has found that certain TSPR recommendations have

emerged as key. These recommendations, which are summarized below, are arranged by chapter and area of operation as spelled out in *Children First*. The comments in italics below each recommendation come from district staff.

District Organization and Management

#2. The board should identify and modify its policies and practices to avoid micro-management.

The board took several significant steps to address the issue of micro-management, including the creation of policies to clarify the role of the board and superintendent and to establish complaint procedures and a peer censure process when board members engage in inappropriate behavior. Most recently, the board instituted a personnel hiring policy to removed the board from hiring and termination decisions except for the decision to hire or terminate a superintendent. According to the board president, other decisions, such as limiting board meetings to only one per month also have reduced the tendency of the board to become involved in the district's day-to-day operations. Overall, administrators complimented their improved relations with the board and the board's dramatic change in practices.

#8 Analyze disparities in dollar resources and staffing of area district administrative offices.

Administrators believe that over the long-term the shift to allocating money using the weighted pupil basis is going to significantly affect how HISD operates. They noted that this change is not just a change in how the money is distributed, but is indeed a philosophical change from central office control to true decentralization. If HISD is going to hold campuses accountable for outcomes, campuses must control their funds and resources. The downside will be that the central office could previously discern small pockets of need and channel money to that need. Now, discretionary funds will still provide

a safety net for special needs, but the overall decisions will be up to the campuses.

- #14 Update HISD’s policy manual and incorporate Senate Bill 1 changes.
- #15 Systematically revise all administrative procedures pursuant to Senate Bill 1.

Up to this point, district administrators said that writing and updating policies and procedures was accomplished on a piecemeal basis and that maintaining the policy book was considered a compliance issue. Since the TSPR review, policies and procedures are no longer simply thought of as a way to comply with the law that says you must have a policy book. Instead district administrators said they are using the process as a system for problem solving and problem avoidance. This effort to review and update all policies and to write corresponding procedures is the first fundamental review of policies and procedures performed by the district. As one administrator said, “Let’s not require everyone to discover solutions individually — when solutions are found, everyone should benefit.”

- #16 Link the strategic planning process to budget development.
- #17 Implement a strategic planning process that requires the central office and area districts to develop long-range strategic plans and short-term management plans.

Thanks to the Children First recommendations, the district used strategic planning to help prepare its annual budgets, starting at the school level. School administrators received strategic goals from the district leadership and applied the goals to prepare their budget requests. Now, every department and campus is preparing improvement plans that contain long and short range goals, as well as performance measures to gauge campus, department, or district successes in implementing those plans and achieving districtwide goals.

Educational Service Delivery and Performance Measures

- #20 Design and implement a curriculum policy that includes a statement of philosophy, a curriculum development plan, curriculum monitoring requirements, guidelines for teacher training, a curriculum review cycle and the use of test data to improve instruction and design and implement a high quality curriculum management system.
- #21 Develop and maintain a complete HISD curriculum scope and sequence chart supported by written curriculum guides for at least 70 percent of all courses offered in elementary, middle and high schools.
- #22 Develop quality curriculum guides and sustain quality through an effective curriculum management system.

A curriculum committee made up of a broad group of central office, district office, and school level personnel and teachers developed policies and procedures that were later adopted by the board. A chart of all HISD courses taught by grade level was prepared and more than 150 scope and sequence statements were written. Indications from teachers on a recent survey conducted by the Houston Federation of Teachers shows the most positive responses were received in the area of curriculum; a distinct change from the surveys conducted by TSPR during the review.

HISD staff also noted that Recommendations #22 through #26 were significant to this whole process. Although curriculum guides cannot in themselves address the educational needs of the students in the district, administrators said that these recommendations when taken as a whole serve to pull together a fabric out of the many threads.

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Community Involvement

- #48 Transfer the responsibilities of the assistant superintendent of Media

Relations to the Media Relations Director.

#49 Eliminate two Media Relations Coordinator positions.

#50 Centralize the community relations and information services functions.

These Community Involvement recommendations, along with eight other recommendations touching on reorganization and refocusing on the public interest, have been identified as significant by the district, although implemented sometimes differently than recommended by TSPR. During the six month review, district staff said that streamlining was and will remain a priority.

#57 Develop a strategic management plan to address the [Communications and Public Relations] department's modified mission.

#58 Develop and implement evaluation criteria for programs within each of the organizational units to determine program effectiveness.

The Office of Communications and Public Affairs established a strategic management plan based on the goals and visions of the district and superintendent. This plan and mission appear to focus the department's efforts on improving two-way communication with the public and as well as on building trust in the community. In addition, each department under Communications and Public Affairs created a strategic management plan. As part of the strategic planning process, a system control review was conducted to see how resources were being used, and what could be done to improve how the staff conducts its business. Performance measures were established and programs will be continually evaluated and improved.

#64 Identify and establish cost-effective, community-based partnership agreements with state and local governments

such as joint facility use for after-school programs, playgrounds, and libraries.

District administrators and members of the Mayor's staff note a new spirit of cooperation emerging between the City of Houston and HISD. At the time of the review, both parties spoke of obstacles to cooperation. Now, numerous programs have begun, including a program that puts a library card in the hands of all third graders in HISD. City officials pointed to the use of HISD facilities and an agreement that opened HISD swimming pools to the public during the summer months. And another plan is underway for after-school care that will involve community groups. All of these initiatives appear to benefit not only HISD students but all of Houston's taxpayers.

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Personnel Management

#72 Develop and implement strict policies for using codes 089, 398, 399 and any other miscellaneous codes that allow employees to remain on the payroll in unfunded or unproductive positions.

From a strict dollar viewpoint, administrators said this recommendation has been most significant to the district, saving nearly \$1 million so far and promising savings of more than \$5.7 million over the five years.

#73 Strengthen performance contracting by consistently demoting or terminating poor performers.

#83 The teacher evaluation process should be modified and principals should be required to prepare an improvement plan for all teachers.

#85 Adopt an administrative evaluation system that focuses on facilitating the educational process and establish a tracking system to monitor the evaluations to ensure compliance with S.B. 1.

These recommendations, along with a recommendation urging the reduction of employees assigned to questionable

employment categories, were cited by district staff as key to emphasizing the importance of consistently encouraging student performance and success in HISD classrooms. As new appraisal systems come into place, hopes are high for more personalized and useful professional assessments of educators at all levels. "The key here is accountability," according to one administrator.

Facilities and Energy Management

#91 Develop a districtwide process to determine needs based on identified district standards that take into account current use as well as the current condition of each facility.

#98 HISD should conduct a complete evaluation of facilities using a comprehensive evaluation format.

These recommendations, as well as eight others concerning the facility assessment and planning process, have provided HISD a master plan for addressing the district's facility needs. HISD has discovered through this process that good facilities management is an integral and ongoing part of a well-run district.

#116 Adjust the current formula for determining the number of custodians needed at each school so the overall district average is one custodian per about 17,500 gross square feet of space.

Custodial standards were only one of the performance standards written in to the management contract for all maintenance functions of the district. District staff noted that this recommendation began a search for benchmarks in other maintenance operations such as grounds keeping and maintenance operations. The overall result is a guaranteed savings over five years of more than \$11.6 million.

Asset and Risk Management

#128 The district should establish clear guidelines that maximize the timely and

efficient collection of delinquent taxes within the guidelines of state laws.

By stepping up its pursuit of delinquent taxes, the district has already claimed more than \$2.8 million in unpaid taxes and expects that number to rise to more than \$12 million over the five years. District staff told the TSPR team this recommendation gave renewed focus to a challenge that has persisted for years. In fact, the district has issued an RFP for all current and delinquent tax services in an ongoing effort to minimize tax collection costs and maximize tax collections.

Financial Management

#136 HISD should move forward with implementing a new financial system.

#149 The Office of Business and Fiscal Administration should ensure the expeditious implementation of a new payroll and human resource system.

HISD administrators told TSPR that they had a request for proposal drafted and specifications planned more than two years before the Comptroller's review, but TSPR's emphasis on getting the system in place helped to shake the process loose and put it on the right track. Full implementation of the human resources system is expected by September 1998, and the financial system is expected to follow soon thereafter.

TSPR's emphasis on getting the system in place helped to shake the process loose and put it on the right track.

Purchasing and Warehousing Services

#150 Implement an automated order process for all orders placed through central Purchasing.

#157 Reorganize and retrain Purchasing staff to manage the new purchasing process with reduced staffing levels.

As noted in the six-month review, the department's new management has been updating policies to prepare for an automated purchasing system. Under decentralization, staff is to be trained to

An investment in technology should repay itself in a matter of years by reducing overlapping or duplicated tasks and increasing productivity.

handle all aspects of purchasing decisions as opposed to the previous "assembly line" model that had each staff member specializing in one aspect of purchasing. When the new purchasing system is installed, the department will be poised to accept the automation and move forward rapidly to achieve all of the efficiencies the system can offer. An investment in technology should repay itself in a matter of years by reducing overlapping or duplicated tasks and increasing productivity — HISD's purchasing staff is determined to reach these goals.

#163 Reduce Central Warehouse staff.

This recommendation prompted a zero-based review of all positions in the facilities management, operations, and transportation areas. As of August 31, nine positions have been eliminated through attrition and \$282,700 saved, a number that is expected to grow to \$1.3 million over the five-year period.

Information Services

#165 Place Facilities Maintenance Organization (FMO) Data Services, Data Management and Food Services data organization under the responsibility of the assistant superintendent for Technology and Information Systems.

Moving all of these technology-related functions under one manager has gone a long way toward improving the overall coordination of technology-related services and eliminating some duplicative task. One recommendation called for the review and elimination of obsolete reports produced in the Mainframe Department. Since consolidating these functions, a systematic review of reports generated in FMO is now being conducted. Plans to house all of these departments in one location is still pending, but is expected to be completed in January 1998.

#171 Require minimum computer competency for school personnel to help ensure instructional technology is properly used in the classroom.

#172 Establish policies to distribute technology equitably among districts and schools.

#173 Identify all systems and software requiring technical training and support and prepare a plan to address those needs.

The district's technology plan gives focus to technology across the district including instruction. More importantly, purchases are now equalized across the district, by grade level. Also, strategies for identifying training needs and conducting training are being developed that go beyond the regular classroom style of training. For example, the district decided to assign each teacher with three or more Algebra classes a lap top computer to use. This decision rewards teachers for teaching in a critical shortage area, and provides the teachers with a technological resource that will help them do their job.

Food Services

#179 Consider outsourcing HISD's Office of Food Services.

Beginning in July 1998, HISD contracted with an outside vendor to manage the Food Services operation. The contract contains a series of guarantees, including productivity savings, participation levels, number of children identified for the free and reduced-price lunch program as well as elements dealing with customer service and customer satisfaction. HISD's employees remain HISD employees, but the management company is providing significant levels of training and retraining for employees in the area of food preparation, presentation, and the like. According to district officials, employees were understandably reluctant when the project began, but have responded positively to the new management structure. Not only is morale up, but productivity is significantly improved, and savings over the five-year period are expected to reach nearly \$7.8 million.

For the month of September, more than 16,000 additional meals per day were

being served to students in HISD. One parent noted that their child refused to eat the food last year, and now refuses to take their lunch — the food is nutritious and it tastes good!

Transportation

#200 Create an in-house certification program that would add new mechanic levels and ultimately improve performance and mechanic morale.

#214 Establish a formal training curriculum for mechanics to maintain and improve the skills of existing mechanics.

As recommended by TSPR, revised wage scales and certification levels, along with an in-house mechanic certification program, are in place. The district has developed a list of skills and knowledge that all mechanic should have, and is now testing the mechanics to determine what they know today and where they should enter the training program.

#201 Implement a warranty program and create a warranty supervisor position to monitor and enforce the warranty recovery and control program.

The district created and budgeted for the position of warranty supervisor, but the position has not yet been filled. Once hired, the warranty supervisor will establish procedures and begin implementation. Although no savings are indicated, the district believes that significant savings can result from the district performing its own warranty work.

#212 Adopt a policy to replace vehicles after 10 years of service; establish a fleet procurement plan to replace 10 percent of the fleet annually and a five-year capital budget for fleet purchases.

HISD administrators say they have done all they can do to make this recommendation work. They know what buses they have in the fleet that need to be replaced, and they know how much it will take to systematically replace the buses, and keep the buses safe for the children transported

in HISD. They believe this recommendation is key to keeping the children safe and improving the overall performance of the transportation department. Unfortunately, the board during the budget process did not respond to this need and has not funded implementation.

Safety and Security

#222 HISD should develop a formal, long-term strategy for safety and security.

From its birth to maturity, the district police department has grown rapidly. But with the recommendation to devise a long-term strategy, continued rapid growth is not expected. Department leaders plan to focus instead on improving programs on gang intervention and the crossing guard program. Emphasis also will be placed on linking the police more closely to programs in alternative school environments. In an update to the six-month progress report, HISD's police department notes that crime has decreased by 14 percent in HISD, and the staff is working with other law enforcement agencies. Recently, a bicycle patrol was initiated with Harris County Constable Trevino in an effort to bring the police force closer to the students, improve safety, and spot gang activity.

One parent noted that their child refused to eat the food last year, and now refuses to take their lunch — the food is nutritious and it tastes good!

Exemplary Practices

During the performance review, TSPR identified a number of exemplary programs and practices, and highlighted them in the final report. These programs and services are presented below, with updates from the district in italics showing how HISD has enhanced them further since the original report. The Comptroller encourages other districts throughout Texas to study them and determine whether they can be adapted to meet their own needs.

HISD's Community Development Initiatives unit is commended for soliciting business partnerships resulting in \$8 million in scholarships and technological program awards for the district.

A more aggressive campaign to expand partnerships has been implemented. Exemplary

scholarship and mentorship programs have strengthened the Community Partnerships Department's efforts to encourage and assist students in their post-secondary educational pursuits and careers.

The Media Resource Center and Film/Video library within the Instructional Media Services unit are commended for conducting frequent and comprehensive teacher and parent workshops and for providing a wide selection of instructional videos used by teachers.

In 1996-97, the number of workshops increased by 48 percent.

HISD is to be commended for aggressively seeking to fill critical bilingual teaching vacancies.

The HISD has increased the number of bilingual interns to 52 and is actively recruiting candidates for the next cycle. In addition, the district is advertising through TENET, Region IV's Internet Service, and the Texas State Teachers Association monthly postings.

HISD is commended for paying competitive teacher salaries compared to other Texas school districts.

The district has committed to a three-year plan to achieve teacher salary levels at the top of the local scale. Salaries for 1997-1998 increased by 5 percent with an additional 1 percent placed into the district's Incentive Program.

The district is commended for implementing a wellness program to encourage employees to pursue healthy activities.

Beginning January 1, 1998, all participating health care vendors will have a contractual obligation to assist the district in providing wellness activities. Including vendors in the district's wellness program will maximize the program's effectiveness.

The Technology Department, with primary support from Network Operations, has successfully implemented a Wide-Area Network (WAN), which reaches every school and administrative office in the district.

The district added 7,200 computer workstations and 5,500 network users. Currently, the district is adding e-mail servers for both administrators and students. To date, HISD has 1,500

students on the HISD network, with an anticipated 7,500 before year's end.

HISD's Grant Development Department is commended for effectively applying for and receiving significant grant money for the district.

New grant monies have increased by \$1,093,714, including \$299,000 from the Telecommunications Infrastructure Fund and \$275,000 from the U. S. Department of Education.

The HISD Purchasing Department is commended for its participation in the Texas Department of Information Resources purchasing cooperative.

Since the six-month review the district has entered into additional purchasing cooperatives with the Region IV Educational Service Center, the Harris County Department of Education, the Texas Purchasing Consortium, and the Texas General Services Commission.

The Transportation Department personnel do a good job of transporting students in a safety-conscious manner, despite a difficult working environment and limited resources.

The district has received more students who qualify for public transportation and expanded its services to charter and alternative schools. Even with these increases, the transportation division continues to meet the majority of needs, which accompany increasing enrollments, special populations, and extra-curricular activities in a safe, efficient, and effective manner.

Food Services is commended for achieving free and reduced-price participation rates well above 60 percent at its elementary schools. In addition, Food Services was recently ranked third among U.S. public and private schools for providing varied, low-fat, vegetarian meals for breakfast and lunch.

Following the six-month review, the district entered into a management contract for the Food Services Department. The contract provides for performance, service, and customer satisfaction guarantees.

Since 1994, HISD has developed a municipal style police department, which has transformed the operation into a well respected, professional organization.

The district added 7,200 computer workstations and 5,500 network users.

The HISD Police Department has had a positive impact on campuses throughout HISD.

HISD is commended for participating in the Absent Students Assistance Program and increasing school attendance of at-risk students.

The Absent Students Assistance Program is still in operation and continues to be effective.

With district support, the Coalition for School Improvement appears to be a model example of how involved parents and community members can make schools work for children.

The Coalition for School Improvement, which was established in January 1995, remains viable, and the charter school cluster continues to demonstrate academic excellence.

HISD is to be commended for its annual review of attendance boundaries to maximize the use of school buildings and to avoid overcrowded conditions.

This review has proven an effective way to respond to demographic changes within the community and the district in a timely manner.

The Facilities and Grounds Support Services (FGSS) section should be commended for using a vendor trade-in program to secure new equipment.

FGSS is using this practice to purchase equipment, as well as canvass vendors who do not use this method to increase savings in the future.

The Utilities, Energy, and Communications Department is to be commended for aggressively pursuing energy management programs with a minimum of staff and creatively using available programs and policies to save more than \$2.5 million.

The Utilities, Energy, and Communications Departments evaluated other schools and determined it advantageous to enter into a second energy savings program titled ESCO II. The district identified 51 schools that offer excellent opportunities for savings, in excess of those the district had already achieved under ESCO I.

HISD is commended for bringing its state accreditation rating up from academically unacceptable in 1995-96 to acceptable in 1996-

97, and for reducing the number of low-performing schools due to dropouts from 17 to four.

Since the review's release, HISD has continued to focus on keeping students in school and reclaiming those who are not currently enrolled in school.

HISD is commended for the high quality of the curriculum guides that were developed under Project ACCESS and for maintaining a comprehensive scope and sequence of curriculum guides at the elementary and middle school levels.

The curriculum alignment project has been extended into the 1997-98 school year with the appointment of a lead teacher on each campus who will help teachers interpret and implement alignment documents currently available on each campus. This [curriculum alignment] project has been credited as one of the reasons for the gain in the district's TAAS scores.

HISD's exhaustive review of district reading instruction using outside expertise gave the district a solid basis for realistically helping all students read at grade level.

Teacher training has been completed for 3,333 K-3 teachers. The Balanced Approach to Reading has been implemented in all elementary schools. Principals have been trained to successfully monitor implementation.

By volunteering 20 schools to the Performance Management System pilot project, the district signaled its desire to use TAAS results to improve teaching and educational results.

The district has made available resources for analyzing and interpreting TAAS scores to all schools. The district obtained the services of the Educational Productivity Council to provide the data and training necessary to understand and analyze campus data. The principals have found the information helpful in making program changes for instructional improvements. This service will continue in the future and will be refined to improve the delivery of data and training to each campus.

HISD is commended for developing a database aligning HISD textbooks to TAAS objectives and helping classroom teachers design activities to improve student learning.

At the time of the audit, the database was distributed on disks to each school. Now the

This [curriculum alignment] project has been credited as one of the reasons for the gain in the district's TAAS scores.

database is available on-line via the district's intranet. Teachers have now correlated newly-adopted textbooks to TAAS targets. The curriculum alignment project offers great promise by providing a common vocabulary and understanding among HISD educators.

HISD is commended for providing occupational training opportunities for students through career and technology offerings at magnet high schools.

The Career and Technology Department is collaborating with other magnet high schools to integrate work-based learning programs in their curriculum. Lamar High School and Reagan High School are among the magnet schools that also improved their specialized program offerings with occupationally specific career and technology courses.

Business and industry partnerships support the development of quality curriculum, provide HISD students with work-based learning opportunities, and reduce the need to purchase specialized equipment.

The Career and Technology Education department is seeking ways to combine the resources of business and industry with career and technology programs to develop a skilled entry-level workforce that can move directly into full-time employment and/or pursue studies at a post-secondary institution.

Since the review's release, negotiations have begun with the National Automotive Technicians Education Foundation, Inc. (NATEF) to imple-

ment the Automotive Youth Educational Systems (AYES) training program in HISD's Career and Technology Education programs. Bellaire High School has been identified as the pilot school in this venture.

Additionally, Baker-Hughes Oil Tools has agreed to provide Reagan High School students advanced work-based learning experiences in the Machine Shop III course.

By grouping related areas under the Achievement Institute and raising the status of curriculum in the superintendent's cabinet, the district has recognized the need to coordinate and reinforce curriculum, staff development, and student assessment across the district.

Since the performance review, the Achievement Institute has continued to pursue its mission and refine its contributions to the schools and student achievement through integrating the functions of curriculum, professional development, and student assessment.

HISD has dramatically increased its Medicaid reimbursements since 1993-94 to expand and improve Special Education programs.

Since the review, the district has decided to help other districts establish reimbursement programs specifically tailored to their own schools. In addition, the district is working with the state to expand the SHARS/Medicaid reimbursement opportunities to cover other services provided to students.

The Career and Technology Education department is seeking ways to develop a skilled entry-level workforce.

Appendix A

HISD's Ideas For Improving the Texas School Performance Review Process

Every public school district faces unique challenges. That's why every time the *Texas School Performance Review* examines the operations and practices of a different school district, the results are different. This fact was certainly true when TSPR staff was assigned the state's largest and the nation's sixth largest school district. While TSPR's review processes were proven ones, adjusting its methodology to review how HISD exercised its enormous responsibility for thousands of students, staff, and faculty involved some special challenges.

After nearly two years since the process began in HISD, TSPR staff asked district officials and others for their recommendations on how to improve the review process itself. TSPR welcomes these ideas. After all, if we accept an invitation to study a community's schools and sound off on ways to improve them, we must be willing to take some constructive criticism in return.

There is little doubt from conversations with district officials that the school performance review had a significant impact on the way HISD is doing business today. In hind sight, administrators and board members alike said that the review was fair and well presented, and it changed the way they look at themselves. One comment regarding food services sums up the way HISD has used the report — "Our focus was on having a positive fund balance and making the food nutritious, now it is on quality!"

The one-year review also brought forth a number of helpful hints from HISD administrators about how TSPR can do its own job better — reviewing the reviewers, if you will. The following is a compendium of comments from the district's officials.

- The number of individual information requests of HISD personnel from TSPR's

consultants was enormous and in some cases repetitive. The district controlled the problem by maintaining its own list of materials already supplied and simply telling consultants that the information they were requesting had already been provided to them or someone else on the team. Interestingly, TSPR anticipated this problem because multiple consulting teams were working independently, and had created a database and a library of gathered data. While the system worked to some degree, the problem persisted, and there is little doubt that the information gathering process needs refinement in future reviews.

- At the time of the one-year review, HISD officials notified the Comptroller's staff that, in some cases, documents supplied to the consultants were on loan, and some of these materials have not yet been returned. Consultants have been notified, and the missing documents will be returned immediately. Since the Houston review, TSPR established a workpapers retrieval system, whereby all workpapers are to be presented to the Comptroller within two weeks after the report is released. Any workpapers that must be returned to the district will be returned at that point.
- HISD staff noted that the recommendations, especially in the facilities chapter, were hard for the lay reader to comprehend. In some cases, it appeared that the recommendations were calling for identical pieces of information. After discussions with the consultants and TSPR team, district representatives

TSPR staff asked district officials and others for their recommendations on how to improve the review process itself.

understood the different components, which enabled administrators to address these issues in the facilities assessment contract.

- District officials expressed concern that some recommendations appeared to be repeated in various chapters. For example, recommendations throughout the report reference the new human resource and financial management systems. The district felt these recommendations could have been consolidated and addressed in one recommendation or series of recommendations. TSPR staff believed that addressing the component recommendations in the functional areas would help the reader to understand that the systems could not be developed in isolation, and that indeed, systems should be designed to meet the needs of many functional areas, instead of the functional areas having to conform to the system's capability.
- HISD felt strongly that the caliber of the consulting team was critical to the overall review. In most of the areas, HISD thought the consultants were highly qualified and conducted themselves in a most professional manner throughout the review. HISD's administrators, however, thought the consultants could have benefited from greater familiarity with Texas law and governmental accounting in general. TSPR staff

will be sensitive to this problem when selecting consultants for future projects.

- District officials also pointed out that the timing of interviews and on-site observation of district operations was important. According to one department, an on-site visit was conducted during a shift change, which gave the impression that more people were assigned to the area than were normally there during the remainder of the day. TSPR will be mindful of this issue as interviews and visits are scheduled for future reviews.
- Several administrators said the six-month review was extremely helpful, because it gave them an opportunity to discuss issues with the TSPR team and ask questions. In fact, many indicated that the six-month review actually changed the way they were looking at particular recommendations, and significantly changed how they approached implementation in the second six months. They believed it would have been more beneficial if the discussions that occurred after six months had been held only three months after the report was released. After three months, administrators felt everyone would have had time to read and analyze the report and form their own opinions about how or whether a recommendation should be implemented. If requested, TSPR will gladly provide this service to any district under review.

Many indicated that the six-month review actually changed the way they were looking at particular recommendations, and significantly changed how they approached implementation in the second six months.

Appendix B

Status of Recommendations and Savings

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|---|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| CHAPTER 1 - DISTRICT ORGANIZATION AND MANAGEMENT | | | | | | |
| 1 | Modify the nine-member Houston Board of Education by adding a president and vice president position to be elected districtwide. | Rejected | \$0 | \$0 | \$0 | After gathering considerable public input via a Citizens Task Force and an inconclusive board vote, the recommendation was rejected. According to the board president, this issue may resurface after the 2000 census, when redistricting is likely. |
| 2 | The board should identify and modify its policies and practices to avoid micro-management. | Complete | \$0 | \$0 | \$0 | In addition to adopting policies clarifying the roles of the board and superintendent and establishing a complaint process and peer censure when a board member engages in inappropriate behavior, the board approved a new personnel hiring policy that granted the superintendent authority for hiring and terminating district employees. The board now holds only one meeting per month, and orientation is provided for all new board members. |
| 3 | Amend board policy to create at least four standing committees of the board, addressing the major functions required to manage the district effectively. | Rejected | \$0 | \$0 | \$0 | The board's Audit Committee is the only standing committee at this time, but it is inactive. The board rejected additional standing committees in favor of establishing special committees on an as-needed basis. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 4 | Improve the quality of board reports by adding cost implications, funding sources, staffing implications, and organizational impacts to them. | Complete | \$0 | \$0 | \$0 | Board members who read and review agenda materials have responded favorably to the more concise and informative format. According to board members, they are getting the information in a timely and accurate manner and holding one board meeting per month has helped to focus the administration on critical issues. |
| 5 | Prepare minutes in executive summary format and retain the audio tapes of the public portions of board meetings for reference. | Complete | \$0 | \$0 | \$0 | Minutes are summarized, and tapes retained of each full meeting, and minutes are current. Long-term storage remains a concern, and staff continues studying ways to place indexed recordings of meetings on CD ROM for easy retrieval. |
| 6 | Reduce the levels of administration between line staff and the superintendent. | In Progress | \$5,729,940 | \$511,543 | \$4,254,506 | The district reduced the executive-level positions from 36 to 26 as of October 1997. Staff changes include the addition of a press secretary, a second chief of staff, and an increased salary for the previous chief of staff. Plans exist to trim more administrative positions. |
| 7 | Change the reporting relationship of the Internal Audit Department from the deputy superintendent of Finance and Business Administration to the superintendent. | Complete | \$0 | \$0 | \$0 | According to the district's internal auditor and other executive staff members, the shift in the reporting relationship has given the auditor direct access to the superintendent as well as to senior staff. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 8 | Analyze disparities in dollar resources and staffing of area district administrative offices. | Complete | \$0 | \$0 | \$0 | Beginning in 1997-98, funds to area districts are distributed on a "weighted" per-pupil basis, meaning that area districts with more students, or students with special needs, will get more dollars than districts with fewer students or fewer students with special needs. |
| 9 | Maintain and disseminate consistent and accurate information to all stakeholders broken out by programs, functions and where services are delivered. | In Progress | (\$7,000) | (\$167) | (\$4,000) | As a short-term solution, the district is providing school-by-school budget data electronically on a web site, and reports are accurate and timely. Full implementation is contingent on the installation of a new financial system and implementation of a planned financial reporting model. |
| 10 | Relocate the 12 budget analysts to each of the 12 area district offices and modify their responsibilities. | In Progress | \$0 | \$0 | \$0 | Seven of the district's 12 budget analysts are dedicated to the 12 area district offices. Their job descriptions and new duties have been defined, but they have not physically moved to the area districts. As new financial technology is installed, five surplus staff members from other areas will be dedicated budget analysts and physically moved into the districts and will operate as financial specialists to the area districts. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|--|-----------------------|--|--------------------------------|---------------------------------------|--|
| 11 | Relocate the 12 central office employees providing recruitment services to each of the 12 area district offices. | In Progress | \$0 | \$0 | \$0 | The functions and roles of area recruiters are being redefined to include responsibility for overall personnel functions for each district office. Physical deployment of these individuals will not occur, however, until a new human resources system is installed. |
| 12 | Ensure a proportional representation of all SDMC members in the next evaluation of campus-level decision-making committees. | Complete | \$0 | (\$3,457) | (\$14,810) | A revised survey and distribution plan were used by the district in May 1997, and the district compiled final results that were shared with the committees and administrators. |
| 13 | Increase the SDMC's role and responsibility for site-based budgeting to include all fund expenditures that occur at a school site. | Complete | (\$15,000) | \$0 | \$0 | Budgetary training was provided in the summer of 1997 by central office staff for campus level administrators. Principals were required to link their budgets and Campus Improvement Plans, and the training materials provided a resource guide for accomplishing this task. |
| 14 | Update HISD's policy manual and incorporate Senate Bill 1 changes. | Complete | (\$29,000) | (\$25,167) | (\$29,000) | Policies have been updated, and a process is now in place to keep them current through the strategic planning activities. |
| 15 | Systematically revise all administrative procedures pursuant to Senate Bill 1. | Complete | \$0 | \$0 | \$0 | The district is using a model used by American General in which every department has or is developing Standard Practice Memoranda (SPMs) for key processes and procedures in the district. As new policies are adopted or existing policies are amended, SPMs are developed to show district personnel how the policy will be put into action. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|---|-----------------------|--|--------------------------------|---------------------------------------|--|
| 16 | Link the strategic planning process to budget development. | Complete | \$0 | \$0 | \$0 | Area districts and schools received a list of four district goals, and all budget requests were tied to these goals during the 1997-98 budget process. The 1997-98 budget contains a new section that links the budget to the established goals. |
| 17 | Implement a strategic planning process that requires the central office and area districts to develop long-range strategic plans and short-term management plans. | Complete | (\$10,000) | (\$1,975) | (\$1,975) | In addition to Campus Improvement Plans for each school in HISD, each of the 12 districts is also preparing district improvement plans, and every department in the central office is preparing a management improvement plan. These plans contain long and short-range plans, as well as performance measures to gauge the campus's, district's, or department's success in implementing those plans and achieving districtwide goals. |
| 18 | Hire in-house counsel to handle routine legal issues and develop bid specifications to seek outside counsel for other legal responsibilities. | Complete | \$1,380,545 | \$12,685 | \$703,286 | Two new staff attorney positions were created by the board, and one position has been filled to date. The staff attorney will focus on special education hearings and terminations. In addition, a request for proposals for outside legal services was issued with 42 firms law firms responding. A panel of 16 firms was selected by category of services. Many of the proposals came in with lowered fees and creative ideas for discounts that could potentially decrease HISD's legal fees. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|--|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 19 | The superintendent should direct the Information Services Department to design an information tracking system that will enable the general counsel to monitor requests for legal information and HISD litigation. | Complete | (\$20,000) | (\$2,741) | (\$22,839) | HISD installed an electronic tracking system that is being used to generate reports organized by type of litigation and by the firm providing the services. The reports are used during monthly litigation meetings and have improved coordination between the Risk Management Department and Legal Services. |
| CHAPTER 2 - EDUCATIONAL SERVICE DELIVERY AND PERFORMANCE MEASURES | | | | | | |
| 20 | Design and implement a curriculum policy that includes a statement of philosophy, a curriculum development plan, curriculum monitoring requirements, guidelines for teacher training, a curriculum review cycle and the use of test data to improve instruction and design and implement a high quality curriculum management system. | Complete | \$0 | \$0 | \$0 | A district committee involving staff from more than 60 schools, area districts, and central administration suggested policy changes that were presented to the board for approval in August and approved at second reading in September 1997. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 21 | Develop and maintain a complete HISD curriculum scope and sequence chart supported by written curriculum guides for at least 70 percent of all courses offered in elementary, middle and high schools. | Complete | \$0 | \$0 | \$0 | District courses are charted, so staff members concur on <i>all</i> district courses lacking curriculum guides. During the summer of 1997, 113 scope and sequences were written and aligned to the Texas Essential Knowledge and Skills (TEKS). Additionally, the Multilingual Department developed 45 scope and sequence documents. Ten address the special needs of bilingual students, and 35 address English as a Second Language for grades 6-12. The district's five-year master curriculum guide revision and development cycle provides a method in which curriculum is written or updated as needed. |
| 22 | Develop quality curriculum guides and sustain quality through an effective curriculum management system. | Complete | (\$2,300,000) | (\$183,500) | (\$2,100,000) | A curriculum management plan has been completed, and a policy has been adopted by the board. All costs related to Recommendations #'s 20 - 22 are included here. |
| 23 | Add two or more days of training for HISD teachers, administrators and support staff to build teamwork, improve classroom teaching and ultimately help students reach their full potential. | Complete | (\$16,160,880) | (367,400) | (\$15,510,000) | One additional training day was added at the beginning of the 1997-98 school year, and one other will be added in 1998-99. The staff development model being used today is a major departure from the centralized approach of the past. Staff development is designing common models to be used by multiple schools while moving toward addressing the needs of individual campuses and contracting for some training when necessary and effective. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|---|-----------------------|--|--------------------------------|---------------------------------------|--|
| 24 | Principals should spend at least 40 percent of the school day in classrooms observing instruction or working with teachers to improve curriculum and instruction. | Complete | \$0 | \$0 | \$0 | Revised performance indicators require principals to spend at least 40 percent of their time in school classrooms, and district supervisors are charged with monitoring the principals. Administrators noted that principals are beginning to look more closely at the needs of teachers, as evidenced by the fact that the central office is getting requests from principals for more technical training and supplies. |
| 25 | Provide training to principals and assistant principals on analyzing instruction and conducting demonstration lessons in classrooms. | Complete | \$0 | \$0 | (\$160,000) | As an outgrowth of Recommendation #24, principals are requesting more training in content areas. The district's next step will be to develop a core list of training that all principals need, and establishing a required training program. |
| 26 | Adopt a policy defining the scope of testing required in HISD; the policy should specify courses and grades when formal testing is required. | Complete | \$0 | \$0 | \$0 | During 1997-98, the district will begin testing students in grades 1 through 11 on the norm-referenced Stanford Achievement Test. The board approved a revised policy in September 1997. |
| 27 | Develop a comprehensive plan to match student needs in the area of technology with available resources. | Complete | \$0 | (\$72,000) | (\$72,000) | A comprehensive Long Range Plan for Technology matches student needs with resources. This sizable investment is consistent with other district initiatives designed to bring technology to bear on day-to-day operations. (See Recommendations #16, #17, #165, #171, #172, and #173.) |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 28 | Downsize the Research and Evaluation Department with the implementation of new technology in the district. | Complete | \$2,009,784 | \$206,083 | \$1,225,560 | Four positions have been eliminated, and plans are underway to eliminate additional positions through attrition in the future. Districtwide, HISD has begun a process in which all positions must be justified before vacancies can be filled. Additionally, all requests are now prioritized based on staff and data availability. |
| 29 | Implement the Performance Management System districtwide to drive effective strategies in such areas as staff development, instruction, curriculum, assessment, student schedules, and/or the amount of time devoted to class tasks. | In Progress | (\$480,000) | (\$55,000) | (\$55,000) | The board approved the district's participation in a pilot study that expands the Performance Management System used in some HISD schools. Training was conducted for principals in September, and follow-up training is anticipated in late October. Full implementation is expected by the year 2000. |
| 30 | HISD should develop and set a formal goal and strategy for moving students enrolled in bilingual/ESL programs from literacy in their home language to reading and writing at grade level in English. | Complete | \$0 | (\$4,392) | (\$26,300) | A revision of the district's Bilingual/ESL Program Guidelines recommends four models of bilingual programs for implementation in 1997-98. In collaboration with the Reading Department, a Spanish Reading Guide is also being developed that will enhance the language/reading program for limited English proficient (LEP) students. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 31 | The Multilingual Programs Department area superintendents, principals and teachers should instill innovative teaching strategies in the later elementary grades to ensure bilingual students are academically prepared before embarking on for English-based instruction. | Complete | \$0 | (\$1,536) | (\$9,200) | In keeping with the four models of instruction, additional training for teachers and administrators was provided during the summer of 1997. |
| 32 | Each area district should identify dual language or other bilingual education opportunities that would qualify for federal or other grant support and seek the appropriate aid. | Complete | \$0 | \$253,379 | \$2,914,842 | In response to a grant development workshop offered by the district, and stepped up efforts to inform campuses of possible grants, schools are seeking additional language grants. The district is providing technical assistance to campuses, and staff is optimistic that new funds will be generated in the future . |
| 33 | Each area district should identify any concentrations of students whose primary language is not English or Spanish and step up efforts to recruit teachers who speak the appropriate languages. | Complete | \$0 | (\$835) | (\$5,000) | The district has made numerous efforts to recruit Vietnamese certified teachers, however, area universities do not have certification programs for languages other than Spanish. The Texas Education Agency (TEA) was contacted to provide emergency permits until such time as a university develops an Asian language program. Tests have been translated into Vietnamese and recruitment efforts continue. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|---|-----------------------|--|--------------------------------|---------------------------------------|--|
| 34 | All student data for Special Education should be consistently reported, and computer reports should identify all referrals, assessments, and activities as required by state law. | Complete | \$0 | \$9,787 | \$234,408 | Appropriate fields have been included in the School Administration Student Information (SASI) system to capture Special Education referral data. Both administrators and campuses can retrieve data and monitor activities. Schools are being held accountable for their own data and can better manage and monitor the data. Implementation resulted in closing a Special Education director position in the central office. |
| 35 | The referral and assessment system for Special Education should be re-evaluated to determine the cause for service deficiencies and missed deadlines. | Complete | \$0 | \$0 | \$0 | The district has corrected deficiencies identified by the Texas Education Agency and has evaluated its referral and assessment system. A corrective plan to meet timelines for documentation, placement, and services for Special Education referrals and students includes 23 additional staff financed with Medicaid dollars obtained through the School Health and Related Services (SHARS) program. At this time, administrators report all assessments are current. |
| 36 | Technical support should be provided to Special Education teachers to ensure that classroom activities meet IEP objectives; technical support should be provided to principals and assistant principals to evaluate and monitor the quality of Special Education classroom instruction. | Complete | \$0 | \$0 | \$0 | Training for administrators and instructional staff has been designed and delivered. Training for Special Education teachers is planned that will teach best practices and how to implement Individualized Education Plans for students. Support staff members were surveyed to determine their professional development needs. |

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|-------|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 37 | Enforce board policy requiring Medicaid claims submissions by all employees providing Medicaid-eligible services. | Complete | \$0 | \$0 | \$0 | An ongoing system of monitoring is now in place, and the district is tracking additional dollar reimbursements associated with improved enforcement. |
| 38 | The Medicaid Finance Department should increase Medicaid reimbursement revenues by aggressively following up on all medical activity reports and preparing billing information within one month of receipt. | Complete | \$8,788,698 | \$823,042 | \$3,824,101 | The district is the most successful in pursuing Medicaid administrative match reimbursements. Two new positions were added handle Medicaid claims and the district is meeting with the Regional Education Service Center IV staff to attempt to license the district's collection process for use across the state. |
| 39 | Establish a timeline for regular evaluation of the gifted and talented programs. | Complete | \$0 | \$68,391 | \$293,012 | In response to a recent lawsuit, the district escalated plans to regularly evaluate the gifted and talented programs, particularly the admissions process. |
| 40 | Annually evaluate and report the effectiveness of dropout programs. | Complete | \$0 | \$0 | \$0 | Fifteen of the district's 110 dropout programs are based on contracts that, for the first time this year, contain standards such as attendance and student achievement. Criteria and procedures for evaluating the district's programs are in place, and about one-half of the programs were evaluated this summer. |

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|-------|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 41 | Reduce the dropout rate among Hispanic and African American students by developing dropout intervention, prevention, and recovery programs with the help of the community, business, higher education, and religious organizations. | Complete | \$0 | \$0 | \$0 | The district created a Minority Dropout Prevention Steering Committee in February 1997 to develop strategies. The district decided to make this an ongoing committee and will continually look to the committee for help and advice. Additionally, all secondary schools included strategies in their Campus Improvement Plans to reduce their dropout rates for the coming year. |
| 42 | The Career and Technology Education Department should assess its current and future computer, facility, and equipment needs in all career path areas. | Complete | \$0 | \$0 | \$0 | The district assessed equipment needs and the technology curriculum while developing the district technology plan. Implementation in each school depends on school budget priorities. |
| 43 | The superintendent should direct the Career and Technology Education Department and the Communication and Public Relations Department to develop a joint plan for establishing additional business partnerships leading to upgrades in equipment and new work-based learning sites for career and technology students. | Complete | \$0 | \$0 | \$0 | The Career and Technology Education Department and the Communication and Public Relations Department are holding joint meetings and are identifying partners based on career pathways and programs. One example of the results of this joint effort is a collaboration between the district, Fiesta and Congressman Sheila Jackson Lee in which labs are being set up to grow and study fish. |

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| 44 | Adopt distance learning technology to ensure student access to courses that cannot be staffed at each school. | In Progress | (\$106,650) | \$0 | (\$612,200) | The district's core curriculum program has taken care of some of the problems with course accessibility, identified in the original report. While the district agrees with the concept and has conducted extensive investigations, finding the initial funding has been a problem. Efforts to locate funding and in-kind services from outside the district are underway. |
| 45 | Convene a broad-based committee of community representatives to study magnet programs in other large school districts, and develop recommendations to improve access. | Complete | (\$20,000) | \$0 | \$0 | A pending lawsuit drove this recommendation and Recommendation # 39 to a more rapid conclusion. The issue of the suit was accessibility. The committee appointed by the superintendent found that the process for applying to a magnet school was very difficult, and plans are underway to correct the problems identified by the committee. |
| 46 | Revise HISD's school allocation formulas to adjust for at-risk and economically disadvantaged student populations and establish guidelines that will give schools choice, within reason, while ensuring educational opportunities for all children. | Complete | \$0 | \$0 | \$0 | The district adopted an approach to distribute dollars to schools on a "weighted" basis, which means that schools with disadvantaged students should proportionately receive new funding beginning in 1997-98. (See Recommendation #8.) |

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|--|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| CHAPTER 3 - COMMUNITY INVOLVEMENT | | | | | | |
| 47 | Modify the Communications and Public Relations Department's mission to encourage two-way communication to build trust within the community. Reorganize the department to reflect the modified mission. Change the name of the department to better describe its new focus. | Complete | \$0 | \$0 | \$0 | The district renamed the department Communication and Public Affairs and rewrote its mission statement to emphasize two-way communication with the public. |
| 48 | Transfer the responsibilities of the assistant superintendent of Media Relations to the Media Relations Director. | Complete | \$385,375 | \$89,947 | \$385,375 | The position was eliminated, but responsibilities were transferred to a newly created position of Press Secretary. |
| 49 | Eliminate two Media Relations Coordinator positions. | Complete | \$391,230 | \$32,754 | \$200,076 | One position was eliminated, leaving two coordinators, which was recommended in <i>Children First</i> . |
| 50 | Centralize the community relations and information services functions. | Complete | \$350,375 | \$89,947 | \$385,375 | The district reorganized differently than recommended by TSPR, but did eliminate the position of assistant superintendent of Community Development Initiatives. |
| 51 | Transfer the Field Coordinator for Business and School Partnerships responsibilities to the VIPS Specialist. | Complete | \$150,180 | \$39,697 | \$205,628 | The district eliminated the Community Partnership coordinator position on March 31, 1997, but kept the field coordinator position to participate in a new Project Reconnect initiative. |
| 52 | Eliminate two secretaries in the Community Development Initiatives unit. | Complete | \$300,360 | \$52,583 | \$282,839 | The district eliminated two positions. |

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| 53 | Merge the Media Production and Instructional Media Services units. | Complete | \$156,170 | \$0 | \$0 | The departments were merged, but a video producer/director position was retained. Staff said the position was needed to answer increased demands for video programming. |
| 54 | Merge the Administrative Services and Graphics and Publication units. Designate the Administrative Services Manager as the proposed Communications Support Services Director. | Complete | \$0 | \$0 | \$0 | During the reorganization, the units were merged differently than recommended by TSPR. |
| 55 | Eliminate the vacant graphics artist position within the Graphics and Publications unit. | Rejected | \$182,440 | \$0 | \$0 | District staff said the district needs a graphics artist to serve new district initiatives. |
| 56 | Transfer the responsibilities of the Records Analyst to the Records Management supervisor and eliminate the Records Analyst position. | Rejected | \$178,850 | \$0 | \$0 | In the six-month review, staff cited the volume of open records requests as the reason for non-implementation. Reconsideration could occur if the district adopts document imaging and moves to electronically provide frequently requested information over the internet. |
| 57 | Develop a strategic management plan to address the department's modified mission. | Complete | \$0 | \$0 | \$0 | The Office of Communications and Public Affairs established a strategic management plan based on the goals and visions of the district and superintendent. Each department under Communications and Public Affairs created a strategic management plan in conjunction with the districtwide strategic planning effort. |

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|-------|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 58 | Develop and implement evaluation criteria for programs within each of the organizational units to determine program effectiveness. | Complete | \$0 | \$0 | \$0 | As part of the strategic planning process, HISD conducted a system control review to determine how resources were being used, and what could be done to improve the way they are doing business. The district established performance measures and programs will be continually evaluated and improved. |
| 59 | Respond to the press within two hours of a request, and train Media Relations staff to handle media issues. | Complete | \$0 | \$0 | \$0 | The district placed responsibility for all media relations with a press secretary who conducted a 10-week training course that concluded in August. A database is now in place to track all media requests. In September, 170 of 173 media requests were answered within two hours; the average request was answered in 22 minutes. |
| 60 | The Community Development Initiatives Unit should develop an internal benchmarking system that monitors volunteer hours and donor participation by source from one year to the next and establish goals to increase participation levels. | Complete | \$0 | \$0 | \$0 | Forms were implemented and put on-line to track business/school partnerships by school. In addition to having the information readily available, the on-line entry process eliminates duplicative data entry. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
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| 61 | Pilot parental involvement agreements at schools where parental involvement has been lagging, particularly at middle and high schools. | Complete | \$0 | \$0 | \$0 | Through Project Reconnect, the district has drafted a Parent Involvement Manual. A Parent Center pilot program is successfully underway at 30 schools, but district administrators said it was difficult to separate the success they were experiencing in the program from the agreement itself. The agreement is a part of a larger process, is producing positive results. |
| 62 | Assign the VIPS Specialist the responsibility for coordinating all parental-involvement activities within the district. | Complete | \$0 | \$0 | \$0 | These responsibilities are assigned to the director of the new Parental Involvement Office. Additionally, each of the 12 district offices has a parent specialist funded with specially designated Chapter 1 funds. |
| 63 | Plan and identify strategies and methods to recruit businesses in those schools with a low number of partnerships. | Complete | \$0 | \$0 | \$0 | The district identified 60 schools needing partnership attention at the six-month review, and has managed to reduce that number to only 10, five of which were opened within the last year. New strategies to expand the type of partners sought for the schools include city, county, and federal government agencies, small businesses and community organizations. |

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|-------|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 64 | Identify and establish cost-effective, community-based partnership agreements with state and local governments such as joint facility use for after-school programs, playgrounds, and libraries. | Complete | \$0 | \$0 | \$0 | Despite early concerns that this recommendation was not workable, HISD is engaged in a new spirit of cooperation with city and county offices. A recent newspaper article notes that HISD and the Houston Public Library have begun a project in which each third grader is given a library card, a key to life-long learning and pleasure. |
| 65 | Reassign functions performed by the Policy Analysis and Development unit to the superintendent's executive administration staff. | Complete | \$0 | \$0 | \$0 | Functions were reassigned in September 1996. |
| 66 | Promote Media Production services vigorously. | Complete | \$0 | \$0 | \$0 | A promotion plan reached in June 1996 has been expanded. As a result of implementing the promotion program, there are increased demands by campuses for coverage of events, and surveys indicate somewhat higher viewership. |
| 67 | Actively seek to maximize public service announcements (PSAs) on network and regular access television channels. | Complete | \$0 | \$0 | \$0 | In a meeting with TV station representatives, the district learned of opportunities to air relevant educational public service announcements (PSAs). A schedule was established for production and distribution, and three PSAs are airing. |

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| 68 | Identify volunteers who can assume some of the translation workload, including volunteers who are fluent in various Asian dialects. | Complete | \$0 | \$0 | \$0 | After more review, the district found that parents in the southwest area of the district had the skills needed to perform translations into Asian languages. The central office acts as the coordinator, and the instructional supervisor in the southwest district matches the resources with the request for translation. One new full-time Spanish translator has been hired and paid for out of specially designated Title VI money. |
| 69 | Established an internal service fund in the Administrative Services unit to recover the full cost of providing printing and copying services to district schools and administrative departments. | In Progress | \$0 | \$0 | \$0 | HISD agrees that graphics design, print services and other support services of the district are prime candidates for an internal service fund. The district is participating with the Comptroller of Public Accounts, the Texas Education Agency, and the Texas Association of School Business Officials in an Internal Service Fund Pilot project. |
| 70 | Centralize the open records requests process. | Complete | \$0 | \$0 | \$0 | The process has been centralized under the Records Management Department, and a system has been designed to track and monitor requests. Training district personnel is ongoing, and the district developed a Public Information Act brochure for public distribution. |

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|---|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 71 | Establish an internal service fund in the Graphics and Publications unit to recover the full cost of providing graphics design and support services to schools and administrative departments within the district. | In Progress | \$0 | \$0 | \$0 | HISD agrees that graphics design, print services and other support services of the district are prime candidates for an internal service fund. The district is participating with the Comptroller of Public Accounts, the Texas Education Agency, and the Texas Association of School Business Officials in an Internal Service Fund Pilot project. |
| CHAPTER 4 - PERSONNEL MANAGEMENT | | | | | | |
| 72 | Develop and implement strict policies for using codes 089, 398, 399 and any other miscellaneous codes that allow employees to remain on the payroll in unfunded or unproductive positions. | Complete | \$5,598,000 | \$972,748 | \$5,741,000 | While enforcing established policies, the district has reduced the number of employees in the questionable categories by 22 people, from 40 to 18 since September 1996. |
| 73 | Strengthen performance contracting by consistently demoting or terminating poor performers. | Complete | \$0 | \$0 | \$0 | With stricter performance contracting enforcement, the district dismissed four district superintendents, two assistant superintendents, and eight principals. Some chose to retire, some moved to lower level jobs, and some left the district. |
| 74 | Reorganize HR around five central processes recommended by the Arthur Andersen study. | In Progress | \$0 | \$0 | \$0 | Implementation is to coincide with installation of a new Human Resources/Payroll system. HISD has contracted with a firm to design and implement a new system, including the design of a final organizational structure. (See Recommendation #149.) |

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| 75 | Reorganize the EEO office staff, rewrite EEO procedures and provide additional EEO training to administrators and staff. | In Progress | (\$250,000) | (\$6,680) | (\$185,000) | In the six-month review, the deputy superintendent for Human Resources expressed his desire to hire a case manager and contractor, as recommended by TSPR, to reduce the backlog of EEO cases and provide training. The board did not yet approved the funds in 1997-98. |
| 76 | Establish a uniform grievance review procedure that consists of three basic steps and includes providing non-binding arbitration. | Complete | \$0 | \$101,356 | \$434,260 | A new three-step grievance review procedure does not include non-binding arbitration. Staff said arbitration would escalate costs and was not recommended by their PEER review. Savings are attributed to the elimination of one director position in Professional Standards as a result of implementing this new procedure. TSPR continues to urge the district to rethink this issue. Care should be taken to analyze all time and money costs associated with extended or litigated grievances. |

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| 77 | Increase the number of recruitment sites to increase the quality of candidates by enlisting the assistance of administrators when they travel out of state. | Complete | (\$10,000) | \$0 | \$0 | The district sent more recruiters to more sites, but had little additional success. An analysis is underway to determine if the district should continue to go to certain sites or whether the district should talk to different people on the campuses visited. Although the number of certified teachers hired is increasing, HISD is performing a district-by-district review of all vacancies to determine the true needs. According to district administrators, finding and retaining qualified and certified teachers is affected by the absence of an automated applicant tracking system. The potential for qualified applicants to be lost in the manual process, or for campus level abuse of the hiring process is greater when the applications are not easily tracked. |
| 78 | Establish an employee relations committee within the HR office to help supervisors and employees deal effectively with potentially contentious personnel actions and develop a comprehensive policy and procedure manual. | Complete | \$0 | \$0 | \$0 | A new Employee Relations Committee was established and draft procedures are developed in eight key areas. Additional procedures will be developed as systems are implemented. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
|-------|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 79 | Identify reasons for high absence rate among teachers and develop incentives to improve attendance. | Complete | \$0 | \$0 | \$540,000 | A steering committee traced high teacher absenteeism to chronic personal or family illnesses. As part of the district's Campus Incentive Program, attendance is now an evaluation category. The incentive program has \$13 million available for the 1997-98 school year. During the budget process, the district also approved a \$2 million leave buy-back program that is being implemented. Additional activities designed to reduce absenteeism are also being considered, but have not been funded. |
| 80 | Expand the substitute teacher pool and improve the quality of substitutes. | Complete | \$0 | \$0 | \$0 | Advertisements in community newspapers may be improving and expanding the substitute pool. Staff also plan a classroom-based substitute training program. Two hours of special education training have been added to bring total training for new substitutes to eight hours. |
| 81 | Update job descriptions to fit current job requirements and standardize the format. | Complete | (\$20,000) | \$24,215 | \$145,000 | Updating job descriptions was in progress at the time of the review. The district has now completed the appeals process, updated many job descriptions and has Job Analysis Questionnaires (JAQs) on existing positions with few exceptions. JAQs are being used as job descriptions pending the implementation of software that will take the JAQ data and convert it to formal job descriptions at a greatly reduced cost. |

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| 82 | Develop specifications for personnel data needs and outsource employee record-keeping. | Complete | (\$300,000) | \$0 | \$0 | The district developed specifications as part of its anticipated Human Resources/Payroll system. The elimination of positions is a guarantee within the implementation contract. |
| 83 | The teacher evaluation process should be modified and principals should be required to prepare and monitor an improvement plan for all teachers. | Complete | \$0 | (\$63,000) | (\$63,000) | During 1997-98, the state appraisal system is being adopted. The system includes an individualized goal-setting component. Costs will include training appraisers and one teacher from each school. |
| 84 | Develop a plan with input from representatives of all HISD employee groups that will allow dismissal of employees not meeting performance standards. | Complete | \$0 | \$0 | \$0 | In October 1996, the board adopted policies, which allowed supervisors of employees other than administrators or teachers to address poor performance promptly. Complex due process hearings have been eliminated in favor of supervisors having direct authority to fire employees for good cause. Dismissed employees may appeal to an assistant superintendent for redress. |
| 85 | Adopt an administrative evaluation system that focuses on facilitating the educational process and establish a tracking system to monitor the evaluations to ensure compliance with S.B. 1. | Complete | \$0 | (\$10,000) | (\$10,000) | The district developed an administrative evaluation tracking system. While not integrated into the payroll system, this feature is planned for in the new human resources system. |

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| 86 | Develop board policy and administrative procedures that clearly state HISD's belief that all employees are due high quality staff development training opportunities, that all staff development should be assessed, and that staff development should be focused on improving instruction and student achievement. | Complete | \$0 | \$0 | \$0 | The board approved a revised policy in September, and procedures were developed to make this process ongoing. |
| 87 | Evaluate all staff development programs for knowledge gained, impact on job performance of trainees and the trainer's professionalism and preparedness. | Complete | \$0 | \$240,075 | \$1,028,600 | An inservice evaluation form is completed on the day of the training, and a follow-up instrument is also sent to random participants to determine the effectiveness of the presentation and its impact on job performance. Summary reports are presented to the superintendent quarterly. The Achievement Institute is a clearinghouse for all staff development activities, but has changed its focus from being a central provider of staff development to facilitating the staff development needs of the campuses. Five training positions were eliminated by consolidating duties. |
| 88 | Create a training tracking system that can be accessed districtwide, and record all training activities by each employee. | Complete | (\$25,000) | \$0 | \$0 | Pending the implementation of the new human resources system, the district has expanded the use of the technology training tracking system to temporarily record all training in the district. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
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CHAPTER 5 - FACILITIES AND ENERGY MANAGEMENT

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| 89 | Complete the consolidation of the Facility Management and Operations and the Construction Management Departments. | Complete | \$824,000 | \$1,094,049 | \$5,229,580 | Instead of eliminating eight overlapping clerical and secretarial positions recommended by TSPR, the district eliminated 21 positions from the Construction Management Department and merged the rest into the contract services area of the FMO Division. HISD staff indicated that the TSPR recommendation enabled them to bring about this long overdue consolidation. |
| 90 | Include the community in the facility planning process. | Complete | \$0 | \$0 | \$0 | The district appointed a Facilities Advisory Committee made up of community and business members. Among other activities, public input has been invited and received on the demolition and rebuilding of the Houston Gardens Elementary School. |
| 91 | Develop a districtwide process to determine needs based on identified district standards that take into account current use as well as the current condition of each facility. | Complete | \$0 | \$0 | \$0 | The district entered into a contract on August 27 to conduct a comprehensive facilities needs assessment to address eight TSPR recommendations (#'s 91, 93, 94, 98, 99, 105, 106, and 111). The Facilities Advisory Committee is actively assisting in the overall planning process. |
| 92 | Adopt an expanded cohort survival method that takes local demographic changes into account for projecting enrollments at the area district and grade level. | Rejected | (\$78,500) | \$0 | \$0 | Because of a high mobility rate of students in the district, the cohort survival method of projecting enrollments has been rejected. However, other models are being explored. |

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| 93 | Using a standardized process, compile and maintain an accurate space inventory for each school. | Complete | (\$350,000) | (\$91,483) | (\$547,800) | Although the district has completed surveys and a space inventory, the facilities assessment contract will result in site plans for all district facilities. (See Recommendation #91.) |
| 94 | Adopt a set of facility use standards and annually use the standards to assess the efficiency with which school facilities are used and to plan new schools. | In Progress | \$0 | \$0 | \$0 | The facilities assessment contract will result in facility use standards and will set up an annual review process. The first district evaluation will be completed in December, 1997. (See Recommendation #91.) |
| 95 | Establish a policy on the use of temporary facilities that recognizes the negative effects on the educational program from overuse of common school facilities and resources. | Complete | \$0 | \$0 | \$0 | The district has assigned this issue to a citizens task force to address this recommendation and related issues. For example, a report has been prepared showing that 61 of the district's schools should modify their plumbing facilities to comply with City of Houston code requirements. |
| 96 | Implement a multi-track, year-round calendar at 10 percent of the elementary schools in HISD. | Complete | \$14,437,360 | \$0 | \$0 | The district approached several communities where overcrowding is a problem and generally found a lack of support for year-round schools. The exception is Fondren Middle School, which was designated by the board as a year-round charter school. |
| 97 | Coordinate the efforts of the Bureau of Construction Management and Facilities Maintenance and Operations by redefining roles and responsibility. | Complete | \$0 | \$0 | \$0 | A reorganization was completed in fall 1996. (See Recommendation #89.) |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
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| 98 | HISD should conduct a complete evaluation of facilities using a comprehensive evaluation format. | In Progress | (\$200,000) | (\$423,779) | (\$2,537,599) | The evaluation process is being conducted by a facilities assessment consultant. After initial planning and establishment of standards, school visits will be conducted this fall and winter. The evaluation will include cost estimating and establishing priorities for repair and renovation. By mid-December, it is estimated that the majority of schools will have been evaluated. (See Recommendation #91.) |
| 99 | Completely upgrade highest need facilities on a planned schedule. | Complete | \$0 | \$0 | \$0 | Although the district has not chosen a total facility upgrade model, it has completed an evaluation of roofs, heating and air conditioning units, and the building and fire code response plan. The district is also beginning a process of completely upgrading or replacing roofs in 45 schools rather than spot fixing them. |
| 100 | HISD should define standards for professional consultants to use when designing and building schools. | Complete | \$0 | \$0 | \$0 | The district has established standards for professional consultants that include selection criteria, quality requirements for deliverables, and a standardized method for computer aided drafting. These standards will be applied in future requests for qualifications. |
| 101 | HISD should streamline the design manual and emphasize consistency or standardization. | Complete | \$300,000 | (\$9,500) | \$140,500 | A revised design standards manual has been completed and will be used in future projects. The district anticipates lower long-term maintenance and utility costs as a result. |

| Rec # | General Recommendation | Implementation Status | TSPR's Projected Five-Year Savings (Costs) | Actual Savings (Costs) To Date | HISD 5-Year Savings (Costs) Estimates | Comments |
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| 102 | HISD should develop a value engineering process. | Complete | \$0 | \$65,130 | \$390,000 | The district has established a policy that requires value engineering on all new school projects and major renovations. Each firm or team must have a certified value specialist on staff who has the experience to guide the value engineering process through all phases of the project. This approach is being used at Houston Gardens Elementary and two high school construction projects; it has already resulted in a sizable reduction in overall construction costs at Houston Gardens. |
| 103 | HISD's policy for the distribution of discretionary funds in any future bond proposals should be clarified to avoid waste and guide the appropriate use of this money. | Complete | \$0 | \$0 | \$0 | District policy requires that any future bond funds accomplish the district's priority facility needs at each individual campus and eliminate building modifications that conflict with long-term planned improvements. Policies are in place that require all projects funded with individual school priority funds (discretionary funds) to be approved by the Facilities Advisory Committee. |
| 104 | When constructing or renovating facilities, HISD should use materials that increase the useful life of facilities, are aesthetically appealing and instructionally stimulating. | Complete | \$0 | \$0 | \$0 | New design standards require the use of more durable materials in future projects, and are being used in all new renovation and construction projects, including the Houston Gardens Elementary and two high school projects. (See Recommendation #101.) |

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| 105 | The district should develop guidelines for preparing educational specifications for each new school and/or modernization. | Complete | \$0 | \$0 | \$0 | In preparation for the contract for the facilities assessment process, a consultant has developed general guidelines for the district. Architectural program and educational facilities specifications have been developed for an elementary school prototype. Space use guidelines and general building criteria are included. (See Recommendation # 91.) |
| 106 | The district should conduct a suitability study of all existing facilities and develop a plan to upgrade all schools to a suitability level that enhances the educational program. | In Progress | (\$72,500) | (\$41,618) | (\$249,210) | As part of the facilities assessment process, district standards will be used to establish construction and renovation priorities. (See Recommendation #91.) |
| 107 | Central Services and Electrical personnel performing school/facility maintenance should be reassigned to Maintenance Services. | Complete | \$0 | \$0 | \$0 | The district has made the recommended assignments. |
| 108 | Eliminate the in-house repair of audio-visual equipment. | Complete | \$480,000 | \$31,623 | \$515,834 | In-house repairs were not totally eliminated, but small dollar items are no longer repaired while larger items, like televisions, are being sent out for repair. Employees in this area are now performing only cost-effective repairs. Schools have reported that the new approach is working well. |
| 109 | HISD should implement a preventive maintenance program that provides regularly scheduled reviews and repairs for all areas of facility maintenance. | Complete | \$0 | (\$33,400) | \$0 | A consultant contract has been executed by the district to prepare a preventive maintenance program. Additional savings are anticipated. |

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|-------|---|-----------------------|--|--------------------------------|---------------------------------------|---|
| 110 | Demolish the Furniture Services building and relocate the function to another facility. | Complete | (\$75,000) | (\$158,700) | (\$158,700) | The building has been demolished. |
| 111 | Evaluate the building condition of all district maintenance facilities to establish priorities for repairs and renovations. | Complete | \$0 | (\$20,739) | (\$124,184) | As part of the facilities assessment process, the district conducted a preliminary assessment of all facilities and is working toward establishing a standard evaluation format and detailed site plans for all maintenance facilities. (See Recommendation #91.) |
| 112 | The district should use the MPAC system in the manner it was designed and incorporate all of its capabilities into the department's standard operations procedures. | Complete | \$1,818,000 | \$8,350 | \$1,668,000 | The district's maintenance contract contains productivity guarantees to fully use the current system's capability. Further improvements are expected when MPAC upgrades and the new financial and human resource systems are installed. (See Recommendations #112, #159, #160, #176, and #178.) |
| 113 | Establish a more accurate, fully loaded, cost per hour of labor, and use this information to compare in house costs to the cost of outside contractors. | Complete | (\$5,000) | \$0 | \$0 | After identifying all costs for doing work in-house, including labor, fringe benefits, and overhead, the district decided to outsource temporary building construction, swimming pool maintenance, solid waste disposal, pest control, and inspections. Using this methodology, it was decided fire extinguisher repair, recharge, and inspection should remain in-house. |

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| 114 | The HISD Facilities Maintenance and Operations should transfer responsibility for the Data Support Center Telecommunications Area and Help Desk Section to the respective maintenance facilities. | Complete | \$0 | \$0 | \$0 | Staff positions have been transferred. (See Recommendations #27 and #165.) |
| 115 | Decisions regarding the outsourcing of maintenance services and repairs should be based on a cost savings analysis. | Complete | \$0 | \$56,341 | \$1,349,496 | Performance contracting is the core of all decisions to outsource in HISD. Savings shown are the result of the elimination of ten positions, minus the contractual costs for providing these services. Contracts for services require that employees are reduced through attrition. (See Recommendation #113.) |
| 116 | Adjust the current formula for determining the number of custodians needed at each school so the overall district average is one custodian per about 17,500 gross square feet of space. | Complete | \$2,900,800 | \$562,085 | \$9,696,908 | The district has entered into a performance based contract with service guarantees for custodial, maintenance, and grounds services. |
| 117 | The district should implement a custodial program that would provide skeletal crews during normal operation hours and larger floating crews after hours. | Complete | \$0 | \$0 | \$0 | The contractor for custodial, maintenance, and grounds services has addressed custodial scheduling through the contractor's work plan. (See Recommendation #116.) |
| 118 | The Department of Energy, Utilities and Communications should be placed under the assistant superintendent of Maintenance Services. | Complete | \$0 | \$0 | \$0 | The department was placed under the assistant superintendent as part of a September 1996 district reorganization. |

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| 119 | Evaluate the facilities inventory based on an established policy and criteria to determine if any properties should be sold. | Complete | \$0 | \$0 | \$0 | District procedures have been established to allow surplus property to be sold, leased, or traded. The district has leased some downtown property to the City of Houston for parking. |
| 120 | Adopt a land acquisition process that specifically delineates increased opportunity for public input. | Complete | \$0 | \$0 | \$0 | New land acquisition procedures require that proposed school sites be reviewed by an advisory committee made up of community and district leaders. (See Recommendation #91.) |
| CHAPTER 6 - ASSET AND RISK MANAGEMENT | | | | | | |
| 121 | Consolidate the district's operating accounts. | Complete | \$53,680 | \$1,981 | \$18,540 | Thirty-seven accounts have been closed. Additional savings have been achieved through a new depository contract for 1997-98. |
| 122 | Implement a controlled disbursement account for all non-payroll accounts. | Complete | \$676,105 | \$9,759 | \$233,760 | A controlled disbursement account has been established under the new bank depository contract for 1997-98. A clause in the contract allows small vendors to present checks for immediate payment, if needed. |
| 123 | The Benefit Committee, in cooperation with the district, should set standards for health insurance and the district should competitively bid the coverage based on those standards. | Complete | \$8,000,000 | \$334,000 | \$8,600,000 | The district has established standards for health insurance. A contract, based on these standards, includes guaranteed savings. |

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| 124 | The district should establish a workers' compensation planning committee to study alternative approaches to manage its long-term workers' compensation program cost-effectively. | Complete | \$0 | \$0 | \$0 | The district formed a Workman's Compensation Committee and explored several alternative approaches including contracting with 30 other districts. Unfortunately, none of those districts were interested in a cooperative approach. |
| 125 | The district should eliminate unnecessary positions due to outsourcing workers' compensation claims administration. | Complete | \$457,020 | \$108,041 | \$585,399 | The district reduced the three positions. |
| 126 | Injury reports should be E-mailed or sent on-line to Safety and Loss Control for immediate investigation. | Complete | \$0 | \$96,030 | \$411,440 | Electronic delivery of injury reports awaits technology improvements, but reports are being distributed daily via facsimile, improving the district's ability to spot injury trends. The savings are based on the elimination of two positions due to improved procedures. |
| 127 | The district should develop a written debt issuance procedures manual to be distributed to the administration and board members. | In Progress | \$0 | \$0 | \$0 | A draft manual is being developed and should be completed in the next few months. District officials expect the a manual to demonstrate fiscal accountability to the public and document the knowledge of long-term employees. |
| 128 | The district should establish clear guidelines that maximize the timely and efficient collection of delinquent taxes within the guidelines of state laws. | Complete | \$12,000,000 | \$2,845,000 | \$12,045,000 | Stepping up its pursuit of delinquent taxes, the district has begun to foreclose properties to increase tax collections. |

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| 129 | The district's policy for recording general fixed assets should be changed to coincide with the requirements outlined in Texas Education Agency Bulletin 679. | Complete | \$0 | \$0 | \$0 | Procedures have been revised. |
| 130 | The general ledger should be adjusted quarterly to the supporting fixed asset records maintained by Property Management. | Complete | \$0 | \$0 | \$0 | The district is adjusting its general ledger on a monthly basis, easing year-end reconciliations. |
| 131 | Property Management should send the property tags and the supporting Property Tag Assignment Form to campuses or departments as soon as Property Management has verified that a capital outlay occurred. | In Progress | \$0 | \$0 | \$0 | Meetings have been held with Data Services and full implementation is expected when the new financial system is brought on-line. (See Recommendation #136.) |
| 132 | The district's policy for verification of the fixed assets inventory should be changed to May 31. | Complete | \$0 | \$0 | \$0 | The district has changed the verification date to April 30. |
| 133 | Fair market values should be obtained for each piece of donated computer equipment and recorded by Property Management in the fixed assets accounting system. | Complete | \$0 | \$0 | \$0 | The district's enforcement of an established policy has led to a more accurate accounting of donated property. One effective means of enforcement is that computer repairs are not being performed unless the equipment is properly tagged and recorded. |

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| 134 | Integrate a new fixed assets system with the general ledger. This integration should be required instead of an optional function in the new financial accounting system, proposed by the district. | Complete | \$0 | \$0 | \$0 | The integration of the fixed assets system is included in the specifications for the new financial system. (See Recommendation #136.) |
| CHAPTER 7 - FINANCIAL MANAGEMENT | | | | | | |
| 135 | Define performance measurements for the various functions within the financial department. | Complete | \$0 | \$0 | \$0 | The district is establishing management-improvement plans for all departments. Performance measures are tracked for major financial-related tasks, such as the quantity of purchase orders processed and error containment. These performance measures will be used in the annual performance assessment process. |
| 136 | HISD should move forward with implementing a new financial system. | Complete | \$0 | (\$835,000) | (\$2,600,000) | The district is reviewing proposals. It is anticipated that the new system will be installed by the end of 1998. There is a one-time estimated cost of \$5 million for acquiring the software application, consulting costs for implementation, and hardware costs necessary to support the system. This cost will be offset from improved efficiencies and fewer staff by 1999-2000. |
| 137 | Eliminate the use of school-level tracking systems by allowing access to the actual budget data. | Complete | \$0 | \$0 | \$0 | Budget data is now placed on the district's intranet system and updated regularly. Additional improvements will be possible with the new financial system, such as on-line, real time capabilities. (See Recommendation #136.) |

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| 138 | The district should determine in which system each process and data set should reside. | Complete | \$0 | \$0 | \$0 | The district defined its data sets and maintenance responsibilities as part of the development of the request for proposal for the new financial system. Some modifications may be needed with the selection of the new financial system. (See Recommendation #136.) |
| 139 | Designate excess fund balances to fund prioritized facility expansions and renovations. | Complete | \$0 | \$0 | \$0 | While much of the fund balance was used to reduce the need for higher taxes, the district designated \$18 million from the 1996-97 fund balance for prioritized emergency facility needs. In addition, the board approved \$3.5 million from the permanent fund for a facility survey, and \$9.1 million from some additional unexpected revenues for the upgrading of HVAC equipment districtwide. The district will continue to prioritize facility needs through the facility assessment process. (See Recommendation #91.) |
| 140 | Reduce the number of budget transfers required throughout the year by discontinuing the use of holding or clearing accounts in the budget. | Complete | \$0 | \$0 | \$0 | Since the district has placed budget information on the intranet, most holding accounts have been eliminated. More improvements will be possible when the new financial system is implemented. (See Recommendations #136 and #137.) |

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| 141 | Use the budget as a cost containment tool linked directly to the district's strategic goals. | Complete | \$0 | \$0 | \$0 | The new budget development process links district budgets to actual expenditures over the previous two years. The 1997-98 budget process began with the development of district goals, and all expenditures are linked to those goals. (See Recommendations #16 and #17.) |
| 142 | Require school principals, financial clerks, and secretaries involved in the budgeting process to attend the budgeting department inservice training that is already offered. | Complete | \$0 | \$0 | \$0 | Participation at budget and other financial inservice training sessions is now required, and district officials have observed an improvement in error rates. |
| 143 | Create a single on-line budget development system. | Complete | \$0 | \$0 | \$0 | Budget information is available on the district's intranet to distribute and retrieve budget data. Staff can download budgets and submit updated data on-line. On-line budget development and update capability will be achieved with the implementation of the new financial system. (See Recommendation #136.) |
| 144 | When district publications use the terms "recommended budget," "adopted budget," and "budget," they should be clear about the date and progress in the budgeting process that the figures represent. | Complete | \$0 | \$0 | \$0 | All budget figures in documents, surveys, and media responses now include the source of the data and the date to which the information relates. |

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| 145 | The district should evaluate the true cost of applying for small-amount grants. | Complete | \$0 | \$14,121 | \$230,344 | The district determined that it is not cost-effective for the grants department to seek small grants valued at less than \$20,000, but officials believe there is considerable value for campuses to pursue small grants. Technical assistance is being provided to the schools so they can seek small grants for targeted programs. |
| 146 | Schools should move forward with their waiver plans. | Complete | \$0 | \$0 | \$0 | All funds appropriated to the district through the textbook waiver program were expended by August 31, 1997. Future allocations are unlikely because the state is moving away from textbook waivers. |
| 147 | The Director of the Accounts Payable Department should strictly enforce HISD policy when paying vendors. | Complete | \$0 | \$0 | \$0 | By improving its voucher payment procedures and conducting staff training, the district has reduced the aging of invoices from 63.4 to 52 days, with plans to reduce this further to 45 days by the end of the year. Many of the paper processes inherent in the current procedures should be eliminated when the new financial system comes on line later this year. District superintendents are informed of schools that fail to meet required standards. (See Recommendation #136.) |

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| 148 | Install an interactive voice response telephone system with an automatic call distributor that is linked to the financial system in the Accounts Payable Department to answer common and repetitive phone queries. | In Progress | \$896,000 | \$0 | \$0 | The interactive phone system is included in the specifications for the new financial system. It will respond to payroll, benefits, purchasing, and accounts payable queries once the financial, human resources, and payroll systems are on-line. (See Recommendations #136 and #149.) |
| 149 | The Office of Business and Fiscal Administration should ensure the expeditious implementation of a new payroll and human resource system. | Complete | \$2,800,000 | (\$484,300) | \$2,100,000 | The district has selected a contractor to implement the new payroll and human resource systems based on district specifications. Full implementation is expected by September, 1998. The district's current contract is performance based and contains a minimum \$2 million per year guaranteed savings once the system is fully implemented. |
| CHAPTER 8 - PURCHASING AND WAREHOUSING SERVICES | | | | | | |
| 150 | Implement an automated order process for all orders placed through central Purchasing. | In Progress | \$0 | \$0 | \$0 | A procurement system with direct ordering capability will be included in the new financial system. In the mean time, the district has realigned the Purchasing department to improve customer service and reduce the number of purchase orders processed. As a result, customer complaints have dropped. (See Recommendation #136.) |
| 151 | Change the current policy of obtaining formal bid on purchases in excess of \$10,000, to the state-required level of \$25,000. | Complete | \$127,500 | \$0 | \$51,000 | The board has approved the policy change, and schools and departments have been notified. The district expects that some savings will result. |

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| 152 | Include the Purchasing Department in the purchase of all services that cost more than \$25,000. | Complete | \$0 | \$0 | \$0 | Procedures were drafted on how to write a request for proposal (RFP) and standard contract provisions. Training will occur, and the Purchasing Department will assign a liaison to each department. The district reports that the coordination of bids has improved. |
| 153 | Implement the use of procurement cards for purchases under \$1,000. | Complete | \$344,800 | \$0 | \$0 | The district has been using supplemental checks and blank orders rather than procurement cards because of the difficulty of properly accounting for costs and maintaining internal controls. Alternatives to procurement cards will be explored as the district implements the new financial system. (See Recommendation #136.) |
| 154 | Use a two-way match (payment based on purchase order and invoice match) requirement for all purchases under \$1,000. | Complete | \$0 | \$0 | \$0 | New procedures were implemented on a pilot basis with select vendors. Additional vendors will be added or deleted based on the vendors' historic reliability. |
| 155 | Allow individual principals to designate one or more school officials to have signature authority for all purchases below \$500. | Complete | \$0 | \$0 | \$0 | District policy already allowed this option, but it was not widely used. Principals are now using this option more frequently. |
| 156 | Include product quality and vendor service as criteria when evaluating and awarding bid contracts. | Complete | \$0 | \$0 | \$0 | An evaluation system for products and services has been developed. A vendor evaluation form is being used and plans are to put it on-line to obtain customer feedback on products. |

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| 157 | Reorganize and retrain Purchasing staff to manage the new purchasing process with reduced staffing levels. | Complete | \$700,000 | \$0 | \$0 | In advance of the anticipated automated system, the district is reorganizing Purchasing so that tasks are handled from beginning to end in one location, as opposed to the previous assembly line approach. Staffing reductions and savings are expected and are contained in Recommendation #136. |
| 158 | Create a customer service center or help desk in Purchasing to answer and resolve customer questions and problems. | Complete | (\$50,000) | \$0 | \$0 | A "help desk" individual has been designated to respond, route, and follow up on customer problems, as well as provide training. Delays in responding to problems have been reduced. |
| 159 | Streamline Central Warehouse's requisition process by creating a single point of entry where all relevant data is simultaneously checked and then entered onto the Maintenance, Planning and Accountability System (MPAC). | Complete | \$0 | \$0 | \$0 | MPAC analysis is complete, and necessary system upgrades and staff training are planned. New bar coding specifications are in place. The district will move forward with the on-line requisition process once the new finance system is in place. (See Recommendation #136.) |
| 160 | Install an electronic receiving system in the Central Warehouse (bar coding and scanning) that interfaces with the MPAC system. | Complete | \$140,000 | (\$10,020) | \$90,000 | Bar code system requirements have been defined, but not all vendors have the necessary technology to bar code items in a way that can easily be read. |
| 161 | Improve the process supporting textbook ordering by identifying the latest possible date to assess projected school enrollments using the PEIMS data. | Complete | \$0 | \$0 | \$0 | Public Education Information Management System (PEIMS) data was used for the April 1 textbook order. Technology solutions are being reviewed to improve inventory tracking at the school level. |

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| 162 | Perform a cost analysis for inventory items or items needing repair. | Complete | \$0 | \$0 | \$0 | The district identified \$113,000 in obsolete inventory that will be used up or disposed of at auction. To control future inventories, start-up supplies are being ordered based on a survey of schools. Formal procedures for the repair or return of items still need to be developed. |
| 163 | Reduce Central Warehouse staff. | Complete | \$1,100,000 | \$282,705 | \$1,318,573 | Nine positions were eliminated. |
| 164 | Expand the percentage of physical inventory reviewed annually from 30 percent to a minimum of 50 percent. Expansion will allow for a more accurate assessment of inventory. | Complete | \$0 | \$0 | \$0 | The August 1997 physical inventory reviewed 50 percent of total inventory. |
| CHAPTER 9 - INFORMATION SERVICES | | | | | | |
| 165 | Place Facilities Maintenance Organization (FMO) Data Services, Data Management, and Food Services data organization under the responsibility of the assistant superintendent for Technology and Information Systems. | Complete | \$0 | (\$32,881) | \$190,966 | The FMO data services functions were moved, and personnel was placed under the assistant superintendent of Technology and Information Systems. Two network representative positions were eliminated in the consolidation. |
| 166 | Adopt a system development methodology to improve the quality of systems and guide development. | Complete | (\$100,000) | (\$25,050) | (\$150,000) | Instead of developing the system in-house, the district devised goals and objectives and defined the needs before issuing an RFP. The goal was to obtain a system that could keep things current in a client-server environment. The district will still maintain off-the-shelf applications but will not develop them. |

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| 167 | Enforce the HISD technology standards on all district technology purchases. | Complete | \$0 | \$0 | \$0 | District technology standards addressing software and hardware requirements are being posted and updated on the intranet. |
| 168 | Upgrade and fill vacant position with an experienced security expert to implement security throughout the district. | Complete | (\$40,000) | (\$1,742) | (\$41,736) | A security expert was recruited and hired. The expert reviewed, tested, and documented the disaster recovery plan. HISD now has included disaster recovery in all new applications. A new mainframe security software also was installed. |
| 169 | Compare costs of purchasing commercial software and developing applications within the district, and severely limit customization of purchased software. | Complete | \$0 | \$0 | \$0 | There is now a board policy that limits customization of software, however, some internal customization may be necessary in programs that don't work. This policy is being applied in the acquisition of and implementation of the human resources and finance systems. |
| 170 | Move the Instructional Technology Department to the Wesleyan Building. | In Progress | \$0 | \$0 | \$0 | The first floor of the Wesleyan Building is being used for the KIP Academy, delaying Instructional Technology's move until January 1998. |
| 171 | Require minimum computer competency for school personnel to help ensure instructional technology is properly used in the classroom. | Complete | (\$473,000) | \$0 | \$0 | HISD's Long Range Plan for Technology includes this requirement. |

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| 172 | Establish policies to distribute technology equitably among districts and schools. | Complete | \$0 | \$167,000 | \$1,000,000 | HISD's Long Range Plan for Technology includes a policy to ensure equitable procurement and distribution of technology by grade level. Teachers teaching three or more Algebra classes are given a laptop computer. The laptop serves as a reward for teaching in a critical shortage area as well as assists teachers in doing their job. |
| 173 | Identify all systems and software requiring technical training and support and prepare a plan to address those needs. | Complete | \$0 | \$0 | \$0 | Technology and Information Systems prepared a list of all systems and software that require technical training |
| 174 | Resolve any School Administration Student Information (SASI) issues and complete installation. | Complete | \$0 | \$0 | \$0 | Implementation and installation of SASI is complete. |
| 175 | Institute a procedure of regularly requesting users to justify continuation of reports. | Complete | \$120,000 | \$27,387 | \$218,374 | Report runs have been reduced significantly, and one clerical position has been eliminated. Further, the newly established procedure has been expanded to include the review of all reports from FMOT. |
| 176 | Perform a cost benefit analysis to determine whether warehousing, inventory, project tracking, fleet management, and time-tracking modules should be included in the financial systems. | Complete | \$0 | \$0 | \$0 | A cost benefit analysis was completed and included in the RFP for the finance system. Whether these components can be included in the finance system contract contingent on final proposals. |

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| 177 | FMO Data Services should stop development efforts on its time-tracking system and include the function of the new Human Resources/Payroll system. | Complete | \$350,000 | \$0 | \$0 | The time-tracking pilot was discontinued in December 1996, and two of the four recommended positions were eliminated. (See Recommendation #165 for savings.) |
| 178 | Modify processes to conform to the latest version of MPAC as much as possible. | Complete | \$0 | \$0 | \$0 | A third party studied the MPAC system, and the district is assessing the cost benefit upgrades, training, and implementation costs. Preparation of the MPAC implementation plan is in progress. |
| CHAPTER 10 - FOOD SERVICES | | | | | | |
| 179 | Consider outsourcing HISD's Office of Food Services. | Complete | \$16,719,270 | \$892,150 | \$7,794,751 | In July 1997, the board approved a food service management contract. There were four considerations in the RFP: improve service; take care of HISD employees; save money; and improve customer satisfaction. All four were guaranteed in the contract. Start up was seamless, and in just two months, HISD is serving an additional 16,000 meals daily. The focus on food service is on quality and nutrition. |
| 180 | Design and implement a more efficient food preparation and serving system for the district and each individual cafeteria. | Complete | \$3,988,000* | \$0 | \$0 | See Recommendation #179. |

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| 181 | Formulate a strategy for monitoring, analyzing, and increasing participation rates in the School Breakfast and Lunch Programs, particularly for middle and high schools. | Complete | \$6,892,400* | \$99,599 | \$19,612,750 | The food service manager has made the eligibility process for meal programs easier while protecting the confidentiality of students. HISD has certified 7,000 new applicants in the free and reduced-price breakfast and lunch programs. The meals served now are hotter, tastier, varied, and more appealing. (See Recommendation #179.) |
| 182 | Increase the use of pre-processed commodities in food preparation. | Complete | \$360,000* | \$0 | \$0 | Included in the food service management contract was a requirement to identify ways to reduce labor costs, yet increase participation. Not only does use of the pre-processed commodities reduce labor, but switching to more "popular" items, such as chicken nuggets, has made the food more appealing to students. |
| 183 | Reorganize the management structure of Food Services. | Complete | \$0* | \$0 | \$0 | See Recommendation #179. |
| 184 | Reorganize and downsize the administrative functions of Food Services through automation and eliminate all redundant and unnecessary tasks. | Complete | \$792,000* | \$0 | \$0 | One of the primary targets of the food service management contract is to automate as many manual and administrative processes as possible. The Student Nutrition Accountability Program System (SNAP) is implemented, and other areas of automation, procedures, and job descriptions are being reviewed to determine where further efficiencies may be achieved. (See Recommendation #179.) |

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| 185 | Develop and enforce appropriate policies and procedures and implement a perpetual inventory system for Food Services. | Complete | (\$54,000)* | \$0 | \$0 | Inventory control transactions have been computerized, and policies and procedures have been developed and consolidated for safety, sanitation, and other food service procedures. |
| 186 | Routinely analyze the reasons for Food Services accidents and enact preventive measures to reduce the frequency and severity of these accidents. | Complete | \$480,000* | \$80,040 | \$540,000 | Accident reports are provided to Risk Management within 24 hours; employees have been trained on ways to improve safety, and savings have already been realized. The food service manager rewrote some procedures to analyze and identify accident trends and to address concerns. |
| 187 | Complete the full installation of SNAP at all schools and train all necessary personnel by August 1997. | Complete | \$0* | \$0 | \$0 | District schools are on the SNAP system, which automates several food service functions such as purchasing, site inventory, and menu planning. Although all components of SNAP are on-line, and kitchens have been set up with modems, interface with the mainframe is not completed. A technical person has been designated to support SNAP interfaces. Work on wiring all kitchens, so that information can be retrieved and updated automatically through a wide area network, is underway. |

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|------------------------------------|--|-----------------------|--|--------------------------------|---------------------------------------|---|
| 188 | Establish performance standards that meet or exceed industry standards for each operational area of Food Services and develop and implement a management information system to compare results with the established performance standards. | Complete | \$0* | \$0 | \$0 | Performance standards were developed and included in the management contract and are being used at each school. Customer surveys are being administered. |
| 189 | Develop and implement a computerized emergency food request system. | Complete | \$0* | \$0 | \$0 | This is addressed in the management contract. |
| 190 | Develop and implement a computerized quality-control log to monitor and address quality issues in a timely manner. | Complete | \$0* | \$0 | \$0 | See Recommendation #179. |
| 191 | Establish a documented preventive maintenance program and replacement policy for Food Services vehicles and equipment, and complete and use the existing work order system. | Complete | \$0* | \$0 | \$0 | See Recommendation #179. |
| CHAPTER 11 - TRANSPORTATION | | | | | | |
| 192 | HISD should evaluate the Peer Examination, Evaluation and Redesign (PEER) report and take prompt action to implement additional recommendations as appropriate. | Complete | \$0 | \$0 | \$0 | Eighty-one (out of 101) PEER recommendations have been implemented. The remaining recommendations are either unworkable or will require more funds and long term implementation strategies. |

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| 193 | Reorganize the Transportation Department to assign a manager to each of the four terminals and to the Truck Service Center. | Complete | \$735,610 | \$481,368 | \$2,062,415 | As part of the reorganization, eight positions were eliminated. Administrative supervision is now on site, and coordination has improved between the shop and terminal. |
| 194 | Designate a chief foreman in the maintenance shop of each terminal. | Complete | (\$250,350) | (\$5,971) | (\$196,702) | In February 1997, chief foremen were designated at three terminals. No foreman was appointed at Delmar, which has no maintenance shop at this time. |
| 195 | Redefine the mission of the staff assigned to quality assurance to provide technical support and skills training. | Complete | \$0 | \$0 | \$0 | The mission statement has been defined and included in the management plan for the technical area. |
| 196 | Eliminate the vacant position of safety director; reorganize the personnel assigned to the Safety section to clarify responsibilities. | Complete | \$245,140 | \$62,489 | \$273,147 | The safety director position was eliminated, and staff reassigned. |
| 197 | Create two supervisor classifications for the motor pools: administrative supervisor and field supervisor. | Complete | \$0 | \$0 | \$0 | Motor pool supervisors were shifted to field responsibilities. |
| 198 | The HISD Human Resources department should be more aggressive in recruiting and employing enough personnel to fill all driver assignments. | Complete | (\$1,997,800) | \$0 | \$0 | A year ago, the district was short 80 drivers. In 1997-98, HISD began with a full crew. HISD aggressively managed their workforce during the summer to ensure a full complement of drivers. |
| 199 | Hire a pool of substitute hourly drivers to be available daily at each terminal each shift to fill open routes or extra assignments. | Complete | \$1,307,250 | \$50,551 | \$340,364 | Fifty substitute driver positions were hired with four-hour daily guarantees. |

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| 200 | Create an in-house certification program that would add new mechanic levels and ultimately improve performance and improve mechanic morale. | Complete | (\$150,000) | (\$8,350) | (\$150,000) | A mechanic curriculum was established. The district is testing mechanics to determine their current skill level, what training they need, and where they need to be in the certification program. (See Recommendation #214.) |
| 201 | Implement a warranty program and create a warranty supervisor position to monitor and enforce the warranty recovery and control program. | Complete | \$2,490,750 | \$0 | \$0 | A warranty and records supervisor position was created to maintain and track all warranty repairs. The district advertised, interviewed, and made an offer of employment for the position. However, salary requirements of the recommended individual were above those offered by the district. |
| 202 | Reduce the number of clerks in the Transportation Department. | Complete | \$888,700 | \$82,950 | \$355,400 | The Transportation department has eliminated three clerical positions and reclassified 16 others whose job descriptions did not match the work they were doing. |
| 203 | Increase the minimum fee for field trips to fully recover operation costs and charge a premium for field trips that interfere with regular school transportation schedules. | Complete | \$0 | \$0 | \$0 | Field trip fees have been increased to \$100 each to recover costs, and the district may consider a \$50 per hour charge for trips exceeding four hours in length. The department is also using smaller vehicles for certain student trips. |
| 204 | Coordinate the technology programs and information systems to provide effective and efficient information across the district. | Complete | (\$175,000) | \$0 | \$0 | An outside consultant and in-house committees analyzed ways to connect with other district computer systems. Cabling has been completed. Formal programming and hardware transfers will be performed on an ongoing basis. |

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| 205 | Develop key indicators to measure and monitor performance. | Complete | \$0 | \$0 | \$0 | The district developed and is using key indicators to increase accountability in the area of maintenance. District officials say indicators have created healthy competition among mechanics. |
| 206 | Use the capabilities of Edulog to reduce the number of bus routes and the number of required buses, drivers, mechanics, and supervisors. | In Progress | \$1,160,000 | \$30,198 | \$1,084,971 | Edulog's interface with other district systems remains to be completed. TSPR recommended a fuller application of Edulog to encourage combining school bus routes serving different schools. |
| 207 | Establish staggered bell times for all schools and work with principals to develop well-planned routing strategies and a commitment to improve schedule efficiency. | Complete | \$8,000,000 | \$88,009 | \$2,108,000 | The staggered bell scheduled was established for 1997-98. The Transportation department continues to be challenged due to the choice program, charter schools, and increased enrollment, but overall, the staggered bell program is working. |
| 208 | Charge school principals the full cost of implementing waiver days. | Complete | \$104,000 | \$0 | \$0 | The additional transportation costs for waiver days are being charged to each school. |
| 209 | Encourage high school students to use METRO services instead of HISD school bus routes. | In Progress | \$2,000,000 | \$0 | \$0 | TSPR found savings by converting 7 percent of the district's students into METRO riders to and from school. Despite regular meetings between district staff said METRO to discuss transportation options, no progress has been made to serve more students, however, new options are being explored. Subcontracting with METRO for services could yield untapped federal money, making it mutually beneficial for both parties. |

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| 210 | Financially manage the Transportation Department as a separate business unit, operating as an internal service fund. | In Progress | \$0 | \$0 | \$0 | The district envisions an internal service fund for all services except core services and is participating statewide in a pilot study of internal service funds. |
| 211 | Adopt a spare bus ratio of 15 percent. | In Progress | \$822,000 | \$40,741 | \$40,741 | The district has sold 131 older buses. TSPR recommended selling 194 buses in the first year and 157 buses each of the four subsequent years — all contingent on creation of an acceptable bus acquisition plan. While the continued use of older buses is costing the district more money in maintenance and down time, they have been unable to secure board approval to purchase new buses. |
| 212 | Adopt a policy to replace vehicles after 10 years of service; establish a fleet procurement plan to replace 10 percent of the fleet annually and a 5-year capital budget for fleet purchases. | In Progress | (\$12,000,000) | \$0 | \$0 | District administrators recognize that the district badly needs to upgrade its fleet. The board, however, continues to budget \$4 million per year for buses, far less than what is needed to acquire the necessary buses. |
| 213 | Construct or lease facilities to provide 10 maintenance bays for Delmar Terminal. | In Progress | (\$500,000) | \$0 | \$0 | HISD has located a site for \$850,000 that will require \$650,000 in renovations. Funding has not been available, but administration officials are seeking alternative approaches, such as lease-purchase agreements to secure the needed facilities. |
| 214 | Establish a formal training curriculum for mechanics to maintain and improve the skills of existing mechanics. | Complete | (\$2,000,000) | \$0 | \$0 | Training curriculum was developed. (See Recommendation #200.) |

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| 215 | Reactivate the diesel mechanic curriculum at Barbara Jordan High School. | Complete | (\$382,800) | \$0 | (\$287,100) | Because of low interest in the Barbara Jordan High School diesel mechanic course for the 1997-98 school year, the district decided it was not cost-effective to offer it. San Jacinto Junior College plans to provide diesel mechanic instruction in 1997-98, contingent on appropriate student interest. The diesel mechanic course will be added in the spring to the magnet school recruitment effort to determine whether any interest for it exists. |
| 216 | Implement an effective vehicle management system. | In Progress | (\$50,000) | (\$8,350) | (\$50,000) | Before the system is purchased, the district must determine whether it will be compatible with the platforms that will be used for the human resources and finance systems to ensure seamless integration. (See Recommendations #176 and #178.) |
| 217 | Stipulate specifications for warranty and fleet defect in future procurement of buses. | In Progress | \$0 | \$0 | \$0 | Discussions with the vendor have begun but issues, such as mechanic certification, linking computer systems, and the legality of performing warranty work in-house, are being examined. A warranty supervisor position was created. (See Recommendation #201.) |
| 218 | Purchase additional radios to equip each school bus in the active fleet. | Complete | (\$619,300) | \$0 | \$0 | Radios were written into the district's specifications for 175 new buses, and that approach will continue with future purchases. In the interim, the district is exploring the use of cellular phones at special rates for the nearly 400 older buses still needing radios. |

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| 219 | Establish a program to rotate the cameras and camera boxes on all routes in the district. | Complete | (\$50,000) | \$0 | (\$30,000) | It is not economically feasible to rotate boxes or buy boxes for old vehicles, so the district has decided to phase in boxes over the next three years as new buses are purchased. Only those buses slated for auction in the next three years do not have boxes. |
| 220 | Immediately discontinue the practice of allowing school bus drivers to routinely take home buses in the middle of the day. | In Progress | \$0 | \$0 | \$0 | The district drafted a standard practices memorandum allowing bus drivers to take home buses in the middle of the day when it is in the best interest of the district to do so. |
| 221 | Establish a fleet management program for the general service vehicles. | Complete | \$0 | \$0 | \$0 | The district established procedures for maintaining general service vehicles and will eventually automate the process. |
| CHAPTER 12 - SAFETY AND SECURITY | | | | | | |
| 222 | HISD should develop a formal, long-term strategy for safety and security. | Complete | \$0 | \$0 | \$0 | The district's police department developed a strategy for safety and security that included: gang intervention, education, and investigation; a crossing guard funding program; alternative education facilities that serve suspended or expelled students; and resource allocation that has enabled the department to reassign officers to areas of higher activity. Crime in HISD has been reduced by 14 percent. |

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| 223 | HISD should conduct opinion surveys on safety and security issues every two years and analyze these results as a way to evaluate the performance of safety and security programs. The results should be published in the local media to inform the Houston community of its progress. | Complete | \$0 | \$0 | \$0 | Surveys have been developed and will administered in late October to get community input on police department performance and opportunities for improvement. Surveys will be disseminated on a biannual basis. The use of surveys to capture safety and security issues will be incorporated into the strategic plan. |
| 224 | HISD should ask lawmakers to change state law to allow higher revenues for the crossing guard program. | Complete | \$800,000 | \$33,400 | \$800,000 | The 75th Texas Legislature adopted House Bill 1553, sponsored by Representative Ken Yarbrough, which increased revenues for the crossing guard program by raising the limit on court costs levied for certain traffic convictions in school zones. |
| 225 | Identify safety and performance measures for the crossing guard program. | Complete | \$0 | \$0 | \$0 | To help establish performance measures, a planning committee that includes representatives from parent/teacher organizations, the City of Houston, the Houston Police Department, Public Works, and school principals was appointed. Surveys to crossing guard programs throughout the state have been sent to gather information on best practices. In developing an action plan and standards for the program, a number of processes were redesigned, such as the relief procedures for sick guards. |

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| 226 | HISD should revise its Administrative Procedures Manual, Student Code of Conduct, and Emergency Preparedness Manual to ensure consistent and equitable application across the district. | Complete | (\$100,000) | \$0 | \$0 | Student Code of Conduct and district policies have been changed to meet state law requirements; the manual was printed and distributed during summer 1997. |
| 227 | HISD should develop a methodology to assess the performance of its alternative education programs and monitor their performance regularly. | Complete | \$0 | \$0 | \$0 | Community Based Organization programs, operating under contract with HISD, have performance standards built into their contracts. Each alternative school is held accountable under measures outlined in their school improvement plan, based on AEIS indicators or Alternative Accountability Plans, and TAAS results. A three-year evaluation schedule is in effect to monitor performance at alternative schools. |
| 228 | The HISD Police Department, in conjunction with the Department of Research and Evaluation, should develop a systematic methodology to assess the safety and security threats on district campuses and allocate resources of the Police Department. | Complete | \$0 | \$0 | \$0 | Trends and increased safety and security threats on campuses are being analyzed. Police resources were allocated accordingly in 1997-98. HISD joined the Houston Police Department and the Harris County Constable to kick off a program in which officers patrol on bicycles in and around schools to promote school safety. A gang-awareness program has helped HISD spot gang activity at schools. |
| | Totals | | \$69,927,152 | \$8,185,096 | \$77,890,766 | |

* Savings for these recommendations are not included in TSPR's totals.

Comptroller of Public Accounts
Publication #96-532. Printed October 1997.

Texas Performance Review
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711